The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

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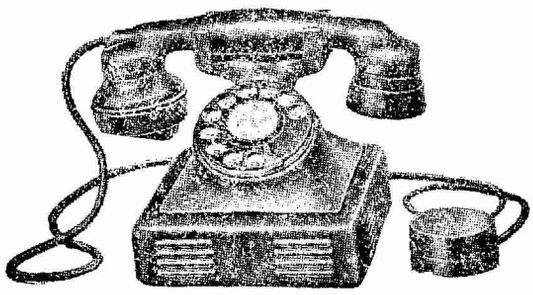

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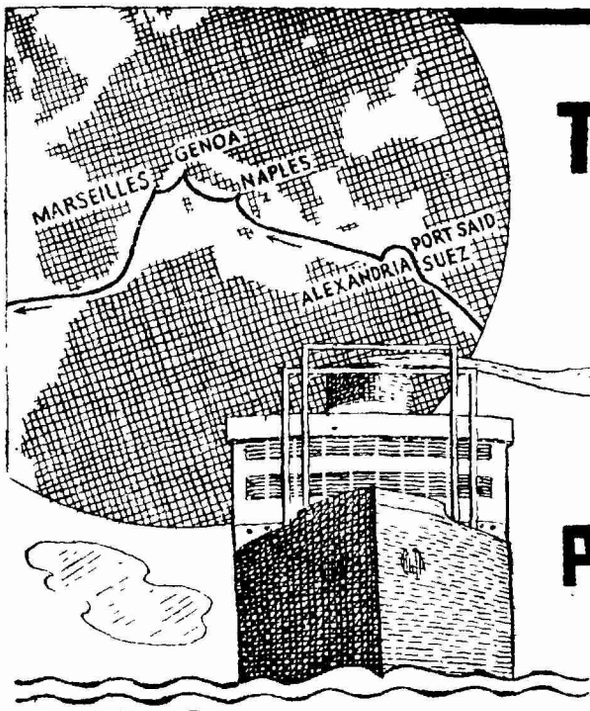

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CHECKERED HISTORY OF A SHANGHAI "GOOD-WILL" MOVEMENT

ABOUT fourteen years ago, in the latter part of the World War, a group of Britons and Americans in Shanghai got together and proposed the organization of a "club" that would contain Chinese members. Up to that time no Chinese citizen ever had been admitted to membership in a social club in Shanghai and few indeed were the occasions when they were admitted as visitors. But China had joined in the war on the side of the Allied and Associated Powers and it was felt that some recognition should be made of the fact. The outcome was the organization and incorporation under British law of the so-called "Union Club of China," which was composed of British, American and Chinese members. In order to become a member, one had to be recommended by his respective chamber of commerce and in addition was compelled to purchase a share in Union Club Proprietary, Ltd., a holding company which had title to the club's property. Since business was flourishing in Shanghai in those days, the little matter of purchasing a share in the proprietary company at Tls. 250 a share, didn't work any great hardship; hence the club started out in flourishing condition with plenty of money and luxurious quarters.

It was discovered, however, that it required more than money to make a club, for while the institution had plenty of members and money and comfortable quarters, few persons ever visited the place. However a resident secretary was employed, the wives and families of the male members were permitted to use the quarters for bridge parties, dances and dinners were held and through the exertion of considerable effort over a period of about ten years the Union Club began to break even financially. The chairmanship was rotated among the three nationalities, hence in 1927 when the nationalist revolutionary crisis developed it happened that an American had just been elected president. National feeling ran high in Shanghai in those days and it was not long before complications developed in the Union Club. The American president had expressed himself strongly against international armed intervention in China and as a result had become exceedingly unpopular among the "die-hards" who thought the long-hoped-for day had arrived for putting China back in her proper place. The upshot of the matter was a row among the direc-

tors and the president resigned. Likewise a considerable percentage of the membership also resigned, the Union Club becoming anything but the "good-will" organ for which it was designed. Since that time the club has limped along, the annual report consisting chiefly of apologetic phrases and a statement of losses on the year's operation. Three years ago someone got up at the annual meeting and moved that the club be liquidated, but the resolution was not passed. It was decided to give the organization another chance. Also the location of the club was changed; as a matter of fact the club has peregrinated about town three or four times in the hope of finding a more popular spot. But all in vain! At the fourteenth annual general meeting held on March 31, another proposal was made to wind up the organization. R. Calder-Marshal, who is of British nationality, and who had served as president on several occasions since the club's organization, proposed that the matter of liquidating the institution be submitted to the members. He reviewed the past and declared that aside from paying their monthly dues, no one apparently had much interest in the club. O. S. Lieu, the Chinese president ruled the proposal was out of order, and an American member called attention to the nice furniture and other matters, but nothing apparently was done. The treasurer reported a loss of $2,320.93 for the year, much of which was attributed to decrease in subscriptions. The landlord was thanked for providing the club with an additional room "without charge," and with that the meeting adjourned. The holding company, Union Club Proprietary, Ltd., however, had better luck, according to its annual report. Large sums received from the early sale of shares had been well invested and now amount to the considerable sum of Tls. 42,600. One member, upon reading the annual report, suggested that as a final act of good-will in these dark days of depression, the club should liquidate itself and refund its capital to the shareholders.

CHINA'S DIFFICULTY IN DETECTING "ENEMY GOODS"

IT is not difficult to imagine the chagrin of the average Chinese citizen who has patriotically tried to help his country by refusing to purchase Japanese goods and then to discover that some article which he had bought under the impression it was of American or European origin, was actually a product of Nippon. Possibly the article may have been manufactured in a foreign-owned factory in Japan, but more likely it simply had been mis-labeled by the Japanese with the object of circumventing the boycott. The China market is literally filled with this sort of merchandise, hence it is perfectly understandable why China should try to devise means of preventing the deception. China's latest attempt in this direction was a customs regulation requiring the marking of both articles and packages with *Chinese* characters designating the country of origin, the regulations being most detailed requiring manufacturers of cloth, for example to weave the design into the selvage, and so on. Since this would considerably increase the cost, particularly of small articles such as fountain pens, cigarettes, etc., the foreign merchants in Shanghai are up in arms against the new regulations and have requested their respective ministers to protest to the Nanking Government. What will be done about the matter is not known but according to the governmental order the new method of marking merchandise is scheduled to become effective on August 1.

China's attempt to boycott Japanese goods has naturally caused serious complications, not only for the Japanese, but also for Chinese merchants whose business depended on Japanese sources of supply. In many cases it has been impossible to obtain similar low-priced goods in other countries, and since the Japanese deserted the gold standard and debased their currency the situation has become worse because the difference in price between the products of Osaka and those of America and Europe is altogether too great even for the most pronounced patriot to resist. Even the Soviet Russians, reputedly the outstanding "dumpers" of the world, are now unable to compete with the cheap goods which Japan is dumping on the markets of China and the rest of the world. There is considerable speculation as to just how long the Japanese can keep this

The above is a photographic reproduction of the two sides of an imitation American cigar lighter made by Japanese and foisted on the Chinese as an American product.

up before going bankrupt as they must ultimately, but in the meantime they are creating much havoc over the world.

And then there is the matter of mis-labeling, a subject previously mentioned in *The Review*, Certain American and European merchants, hit by the depression, allegedly have not been above dealings in Japanese goods—for a remuneration of course—and this has resulted in the extensive trans-shipment of Japanese goods to such places as Hongkong, Dairen, Manila, Singapore and even to the west coast of the United States. Here this merchandise has been placed in new packing-cases bearing American or European marks and then re-shipped to China and sold as non-Japanese products. Then there is the problem of the American or European-owned factory in Japan. Much of this merchandise has been sold in China as of occidental manufacture, when as a matter of fact it came from a Kobe or Osaka plant and was produced by Japanese labor. There was a case in Tientsin where the Chinese military authorities were sold motor-car tires, allegedly of European manufacture. But when the shipment arrived, it was discovered the tires had come from a European-owned plant in Osaka and contained the label "Made in Japan." The Chinese had to accept the shipment since they greatly

needed the tires, but in doing so exposed themselves to severe criticism for using Japanese goods. The European agent who sold the tires claimed the Chinese buyer knew they came from Japan because of the great difference in price as compared with the real European product, but had pretended otherwise to "save his face." Of course the matter of price is an all-important consideration in the China market at all times, but particularly now in view of the depression. Recently a large Chinese company engaged in the marketing of petroleum products entered market for a certain type of rubber hose or tubing used in connection with large storage tanks. American and European firms submitted samples and prices, but along came another European, representative of a Japanese factory who submitted prices far below the others. Also he promised to leave off all marks of identification. At latest reports the Chinese buyer was spending sleepless nights trying to settle a problem of conscience closely associated with pecuniary gain.

Nothing could better illustrate the difficulty of enforcing the proposed Chinese Customs regulations providing that *Chinese* marks shall be knitted, moulded or otherwise incorporated into imported articles so as to distinctly mark the country of origin than an incident—it is an incident, for undoubtedly there are hundreds similar —which has just been brought to the attention of *The Review*. A neatly made little automatic cigarette lighter just breathes all over it its apparent American manufacture. The words "United States" and "America" stand out in bold characters on an imitated gold certificate which adorns the exterior of the lighter. But a little closer examination demonstrates the counterfeit, evidently of Japanese manufacture. The imitation "falls down" on the one point that such Japanese imitations usually make themselves evident, namely in the spelling. Herewith some of several examples: The word "certificate" is spelled in the imitation without an "r," and one "i" in the word is also missing. Other misspelled words are "silver," without an "e," "treasury" containing an "i," "when" spelled with an "a." The word "bearer" appears as "brer," and so on. Now the whole point is that if the Chinese government—this being the evident desire in enforcing the new regulations—wishes to prevent the Japanese from imitating American or other foreign cargo, it had better allow the American manufacturers to continue to use the *English* language, because the Japanese in imitating it are sure to expose themselves to the "fake" which they are perpetrating. But if the Chinese Government insists on Americans using Chinese characters, then the Japanese may be able to "get away" with their counterfeits with little fear of detection, because they themselves use in their language the same characters that the Chinese do and therefore will probably not make any mistakes in stamping them on their counterfeits. As a means of ascertaining whether cargo apparently coming from American really comes from that country, the new Customs regulations requiring *Chinese* words to be incorporated in the product will not serve their purpose—not so long as Japanese imitations remain uncurbed. As above pointed out, the new regulations may make it easier for the Japanese to foist their imitations on the public, Chinese as well as others.

The whole situation is most complicated and is likely to become more so as time passes because the Chinese are determined to punish the Japanese and the only means in their power is the boycott. Ultimately they will find a way of circumventing Japanese chicanery. It would seem that the foreigners could greatly strengthen their own positions in the Chinese market by doing a little house-cleaning on their own accord. For example the foreign chambers of commerce, interested in selling their own national goods, could take steps to prevent their members from lending their services to the Japanese for purposes of mislabeling or counterfeiting occidental markings. Obviously it cannot benefit American, British, German or other foreign trade prestige in China for merchants of these nationalities to secretly help the Japanese by mis-branding Japanese products in imitation of western goods so as to get around the anti-Japanese boycott, even though certain individuals do make a profit at the practice. Also, it would seem that this matter should interest the American and European consuls and commercial attaches since it is their primary duty to safeguard the commercial prestige of their respective home countries.

HOW AMERICAN BANKS ARE AFFECTED BY RECENT U. S. LEGISLATION

THERE are five American banks which have branches or head offices in China, National City Bank of New York, Chase National Bank, American-Oriental Bank, Underwriter's Savings Bank and American Express Company. Since the American Express Company is a subsidiary of the Chase National Bank and confines itself to travel-agency and exchange business it apparently has not been affected by recent banking developments and legislation in the United States, excepting in so far as its parent concern, the Chase National has been affected. Of the four remaining banks, two are "local" in the sense they are owned by American citizens resident in China and are operated under state charters which give them exterritorial privileges in China. These banks are the American-Oriental Bank which is owned by Frank J. Raven and the Underwriters Saving Bank which is owned by C. J. Starr. The American-Oriental Bank is closely affiliated with the Asia Realty Company, the Raven Trust Company, the American-Oriental Finance Corporation, International Lands, Ltd., and other interests which have their head offices in Shanghai. C. J. Starr, president of the Underwriters Savings Bank, a recently organized institution is also the chief stockholder and director of the American Asiatic Underwriters, Asia Life Insurance Company, etc.

The two remaining American banks, National City of New York and Chase National, both of which are members of the U. S. Federal Reserve System, are branches of the two largest banks in America (also largest banks in the world), and have their head offices in New York. Due to their "national" character both are subject to U. S. federal laws pertaining to national banking and in consequence are regularly inspected by American federal bank examiners.

It is no secret to newspaper readers in the Far East that the United States

has recently passed through a serious banking crisis which culminated in a national moratorium enforced by a proclamation of President Franklin D. Roosevelt. The banking crisis and ensuing moratorium resulted from a long period of uneasiness on the part of the American people with respect to their banks, the first trouble starting in Detroit and from that point spreading over the country. When the epidemic of withdrawal of deposits reached New York and threatened to affect the nation's leading financial organs, the President, of the United States intervened and enforced the moratorium. The Government then took advantage of the situation to pass and introduce new legislation in Congress designed to strengthen federal control over bankers and banking institutions, the ultimate object being to prevent speculation and safeguard the interests of depositors. A cable from Washington on April 1 quoted an announcement of the Treasury Department to the effect that National banks with deposits totalling G.$350,000,000 had been completely reorganized as a result of changes effected between March 15 and March 25 and are now prepared to continue and expand their banking operations on a normal basis. Of further significance, however, was an announcement of the Federal Reserve Board on March 29 to the effect that Congress has power to abolish the so-called "state" banking system and thus concentrate the entire banking business of the United States under strict federal control. The chief legal counsel of the Federal Reserve Board expressed the opinion that any of the number of grounds he gave for his opinion "would be sufficient constitutional justification for enactment of legislation restricting the conduct of commercial banking to national banks." He declared that such legislation would not only be constitutional but "entirely appropriate."

Franklin D. Roosevelt, the new President, assumed office on March 4 in the midst of the banking crisis, hence it was with considerable appropriateness that he declared in the course of his inaugural address,

> "Primarily this (crisis) is because the rulers of the exchange of mankind's goods have failed through their own stubbornness and their own incompetence, have admitted their failure and abdicated. Practices of the unscrupulous money changers stand indicted in the court of public opinion, rejected by the hearts and minds of men. True, they have tried, but their efforts have been cast in the pattern of an outworn tradition. Faced by failure of credit, they have proposed only the lending of more money. Stripped of the lure of profit by which to induce our people to follow their false leadership, they have resorted to exhortations, pleading tearfully for restored confidence. They know only the rules of a generation of self-seekers. They have no vision, and when there is no vision the people perish. The money changers have fled from their high seats in the temples of our civilization. We may now restore that temple to the ancient truths. The measures of the restoration lies in the extent to which we apply social values more noble than mere monetary profit. Happiness lies not in the mere possession of money; it lies in the joy of achievement, in the thrill of creative effort.....
>
> "There must be an end to a conduct in banking and in business which too often has given to a secret trust the likeness of callous and selfish wrongdoing. Small wonder that confidence languishes, for it thrives only on honesty, on honor, on the sacredness of obligations, on faithful protection, on unselfish performance. Our nation asks for action and action now.....The task can be helped by insistance that the Federal, state and local governments act forthwith on the demand that their cost be drastically reduced.....There must be a strict supervision of all banking and credits and investments; there must be an end to speculation with other people's money, and there must be provision for an adequate but sound currency....."

Probably never before in the history of the United States has the Chief Executive used such strong language in reference to those who are now held largely responsible for the country's present ills. It is therefore not surprising that the President and administration leaders are now fostering further legislation in Congress which will make it impossible for the country to pass through another era of mad speculation and ensuing collapse such as that which has been experienced since 1929. Reports by both *Reuters* and *United Press* from Washington on March 29 stated that President Roosevelt's "securities control bill" had been introduced in Congress and provided for fines and imprisonment of dealers who misled the public in describing securities that are offered for sale and also provided for the fullest publicity and Federal examination of the structure behind such securities.

As explained in previous discussions of this subject in *The Review* (March 11 and March 18) the financial crisis in the United States resulted from a combination of lax banking laws and bad politics. While the Federal government did exercise control and supervision over the National banks through the Federal Reserve system, it had little or no legal control over the so-called "state" banks, otherwise banks incorporated under the laws of the various states. Thousands of small banks had been organized by men possessing little capital or banking experience hence when the business depression developed they began to fail and in failing they undermined public confidence so that the entire financial structure of the nation was imperiled. Public investigations held by the United States Senate disclosed banking practices which would not be countenanced in other countries, particularly Great Britain. The result was a national reaction against such practices which is now being translated into public legislation designed to prevent that sort of thing in future and at the same time provide the country with a sound, federal-controlled banking system. The home American newspapers and magazines now arriving in Shanghai are filled with reports of the crisis so voluminous that it is impossible to give more than a mere summary here. But of outstanding interest from the standpoint of the future is the apparent moral awakening which seems to have swept over the banking fraternity resulting in definite steps in the direction of self-regulation which probably will have greater effect in restoring public confidence than laws passed by Congress or the various state legislatures. An example of this was provided in a statement by Winthrop W. Aldrich, Chairman of the Governing Board of the Chase National Bank on March 8 (St. Louis *Globe Democrat*, March 9), which was to the following effect:

> A program of banking reform designed to purge the commercial banking business of all taint of speculative leadership and calculated to reduce the present overlords of the New York money market to a position of relative importance was proposed by Aldrich in connection with his announcement.

His program calls for complete separation of deposit banking and investment banking, even to the extent of forbidding private bankers to take deposits or to be directors of banks of deposit, and strikes directly at the position of J. P. Morgan & Co., whose members are directors of some of the largest commercial banks and who hold important foreign and domestic deposits.

Aldrich, who is a representative of the John D. Rockefeller interests, largest stockholders of the Chase, succeeded Albert H. Wiggin as executive head of the Chase in January. He not only condemned the policy of his predecessor, but in effect declared his opposition to some of Wall street's most powerful figures and their particular interests.

The statement of Aldrich tonight said he "did not think the Glass bill goes sufficiently far in separating the business of commercial banking from that of dealing in securities."

He added: "The following four additional steps should ultimately be taken:

"1. No corporation or partnership should be permitted to take deposits unless such corporation or partnership is subjected to the same regulations and required to publish the same statements as are commercial banks.

"2. No corporation or partnership dealing in securities should be permitted to take deposits even under regulation.

3. No officer or director nor any member of any partnership dealing in securities should be permitted to be an officer or director of any commercial bank or bank taking deposits, and no officer or director of any commercial bank or bank taking deposits should be permitted to be an officer or director of any corporation, or a partner in any partnership, engaged in the business of dealing in securities.

"4. Boards of directors of commercial banks should be limited in number by statute so as to be sufficiently small to enable the members to be actually cognizant of the affairs of their banks and in a position really to discharge their responsibility to stockholders, depositors and the business community."

The Aldrich program would bring wholesale realignments in directorates of leading banks of America and would affect every private banking house in the city. In particular, it would affect J. P. Morgan & Co. Of its twenty partners, ten are directors of one or more commercial banks.

Aldrich also asserted no corporation should be permitted to take deposits unless it is subjected to the same regulations as commercial banks and required to publish a statement of its condition. This would force the private banking houses such as Morgan, Kuhn, Loeb and others, to disclose for the first time the extent of their capital and resources.

In his statement tonight, Aldrich did not spare his own bank, for the Chase had violated almost every one of the postulates he laid down. When the financial community is shaken, his declaration is calculated to strike down what little opposition remains to a drastic reform of the entire banking system. It was looked upon tonight as convincing proof of the readiness of Wall street bankers to scrap the old ways and begin anew.

It was stated in the opening paragraphs of this discussion that this whole question of American banking reform is of vital interest in China because of the location of a number of American banks in this country. There is a still further interest in the subject because the so-called "modern-style" Chinese banks have been modeled largely on American banking practice. Furthermore, most of the managers and directors of China's modern banks have received their educations and preliminary banking experience in the United States. There is obviously no suggestion here that banking practice as followed by either the American or Chinese bankers in China has been such as to threaten a repetition here of recent American developments. It is obvious, however, that American banks in China, being subject to home American laws will of necessity be compelled to conform to the new regulations either passed or pending in Congress or the legislatures of the states where they are incorporated. As a matter of fact the Chase National and the National City of New York both have voluntarily conformed to the recent regulations, the National City discontinuing the branch of the National City Securities Company which previously functioned here and according to report the Chase National more than a month ago divorced itself from the Chase Harris Forbes Corporation and its parent, the Chase Securities Corporation.

It was inevitable that there should have been considerable criticism of the U. S. Congress and the American press for public criticism of banking conditions, some alleging that the publicity received from the congressional investigation through the press had precipitated the crisis. The best reply to this charge which has come to our attention appeared in the editorial columns of the *Editor and Publisher* (N. Y.) on March 4 to the following effect,

> "I challenge the view that depression will be prolonged by the Mitchell revelations. The incident gave me fresh courage—a renewed faith in the power of the Government under which we live to control national affairs. It seems reasonable that millions of American citizens must feel reinvigorated and better able to place implicit confidence in the democratic institution. The incident has an effect like calling the class to order after a riot, a stern teacher putting the bad boy disturber on the dunce stool. Disciplinary measures are indispensable in good government as in school or business. How economic depression can be prolonged by action which tends to correct evil conditions which have produced this ironic poverty in the midst of natural plenty is beyond the grasping power of my poor cerebration."

That the American banking system, prior to the recent crisis, was similar to conditions which prevailed in England in the early years of the Nineteenth century, was the opinion recently expressed by T. E. Gregory, Professor of Banking at London University. He said that the present banking system in the United States was appropriate for business conditions which prevailed about 1860 but is entirely inadequate for present business requirements. In Prof. Gregory's opinion British banking had experienced similar trouble but in its program of development and modernization it had not been harassed by "states rights" and local small-town patriotism as had been the case in the United States. Finally, Prof. Gregory expressed considerable doubt whether the present Democratic administration and congress would be able to effect the needed reforms.

Tientsin Journal Says China Should Take the Offensive

The Tientsin *Yih Shih Pao*, in discussing Sino-Japanese affairs, says there are three ways open, namely compromise, resistance, counter-attack. It says that careful study of the Sino-Japanese situation will readily convince one that the third policy of counter-attack is the one which China should adopt; to effect a compromise with Japan at this time is out of the question. The *Yih Shih Pao* proceeds: "The only and the wisest way is for China to take the offensive. The results of the Shanghai war last year and the fighting at Hsifengkou this year, teach us that the Chinese army has more advantage in hand-to-hand fighting. The Chinese army have inferior armaments and could hardly hold a position long, in face of severe gun-fire from the Japanese artillery. We believe that China has every advantage if she takes the offensive instead of remaining on the defensive."

JAPAN "PAYS" OLD DEBTS BY INCURRING NEW INDEBTEDNESS

THE Japanese Government continues its policy of paying off old debts with money raised by incurring fresh indebtedness and in this connection it is to be noted that inflation, which has been progressing invisibly, has now appeared on the surface. Thus at the end of March the Japanese Government issued Yen 315,000,000 of domestic bonds which were all accepted by the Bank of Japan. The issue price was Yen 96.50; the interest rate was 4½ per cent. The bonds are redeemable by 1946 and the proceeds will be used in meeting the budget deficit, the Manchurian incident expenses and railway construction expenses.

The Japanese papers state that banking and security circles in the Island Empire are more or less surprised at the above terms and conditions, particularly the period of repayment which is much longer than was generally anticipated, because they demonstrate the Government determination to countenance a lower rate of interest, and its confidence in the future control of currency circulation. Both price and interest rate are the same as the previous issue, but the term of redemption is a year longer—this in the face of the market demand for short term issues. But the Japanese money market is extremely slack, and, unable to buy further short term securities at the Bank of Japan, many town banks have been evincing an interest in national bonds —a solution which the Government evidently wishes to take advantage of.

Out of the proceeds of the above-mentioned issue of bonds, the Japanese Government repaid Yen 200,000,000 of outstanding obligations. The remainder, together with deposits amounting to about Yen 50,000,000,000 at the Bank of Japan, are being diverted into the market as fiscal year-end payments. The Japanese Government has another payment of approximately Yen 100,000,000 to be settled by the middle of this month.

The Bank of Japan itself takes the view that investment in 4½ per cent bonds will hardly exceed Yen 100,000,000. Commercial banks will then have no alternative other than to reduce the interest on deposit accounts. This reduction is what the Government and the Bank of Japan demand from commercial banks, because it is necessary to ensure a successful issue of national bonds totalling Yen 1,000,000,000 during the new fiscal year.

It is expected that the Advisory Board of the Bank of Japan will discuss the matter at its meeting April 18.

The Bank of Japan authorities recently made the following observations on the situation:

> Demand for industrial funds will not be aroused in the near future under present conditions. Banks must be just as cautious as heretofore in the making of new loans. As the Bank of Japan accepts big bond issues and the funds available to other banks, increase, they must accordingly invest the money in reliable bonds. Therefore market quotations on bonds will be maintained and the demand for bonds will increase. The Bank of Japan will therefore be able to continue its open market operations, selling the bonds which it accepts.

Under the caption, "Real Inflation Now—Financial Circles Eagerly Watch Government Policy," a recent article in the *Japan Chronicle* stated: "With a stupendous budget of Yen 2,309,000,000 for the new fiscal year, Japan is now forced to enter, whether she likes or not, into a real inflation age. Financial circles therefore attach much importance to the future Government policy. It is understood that the Government will not effect any radical change, but will stick to its present policy of countenancing lower interest rates. It will guide the Bank of Japan in a reduction of its discount rate and all other matters. As too radical an inflation will be attended by evil effects, the Government will order the Bank of Japan to adjust the currency circulation as heretofore. In the face of the international economic unrest, it will hurry up the promulgation of the exchange control law, and guard against any emergency."

According to the survey published end of March by the Finance Miinstry, the revenue and expenditure of the Japanese Government during 1932 was as follows: Revenue, Yen 991,000,000 and expenditure Yen 1,235,000,000, representing a deficit in the Treasury of Yen 244,000,000.

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Dr. Washio in a recent article in the *Japan Advertiser* said it is obvious that as long as Japan works within the framework of the existing financial system she cannot hope to convince the world of her power of endurance until she balances her budget and shows that she has still room to meet the world armament competition. It cannot be expected that the increase in military expenditure shown in this year's budget will be discontinued in next year's budget. At the expiration of the London Naval Treaty she will not be content with the ratio given her and if her present international isolation continues, she cannot be expected to. Even if peace and order in Manchuria can be internally assured and no more extraordinary military expenditures for Manchuria should be required Japan's armament expenditure cannot be expected to be reduced in the future or even to remain at the present level. How can she bear this burden under her existing financial system which is already badly strained? Abandonment of a strong policy regarding Manchuria is unthinkable, continues Dr. Washio, except due to an unforseen disaster. A large tax increase, at least to the extent to cover the interest on mounting loans, will therefore be inevitable. If this proves insufficient, conscription of private wealth and mobilization of industrial equipment for national purposes will have to be considered. That may lead to virtual abolition of capitalism and a change in the productive system so that equipment, labor, technical knowledge, supply of raw materials, and not money shall be the measure. The logic of maintaining a strong policy regarding Manchuria in the face of an unreconciled world implies this. It may be that the world will not be convinced until this happens, but with no less can Japan's power of endurance be made invincible.

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Meanwhile the newspapers in Japan report that the cotton export boom has run its course. Owing to the extreme inactivity of trade both at home and abroad cotton weavers are now in a disastrous plight, with little hope of an improvement in the near future. Small weavers have been

obliged to suspend operation. All weaving districts in Japan witnessed a boom from the latter part of last year to early this year through the Government inflationary measures. Most weavers installed more looms. In the Senshu district (between Osaka and Wakayama), for instance, weavers could not wait for delivery by machinery manufacturers, and bought old machinery. Conditions, however, have since greatly changed through Japan's decision to withdraw from the League of Nations and the banking crisis in the United States. The export boom has completely vanished. The outlook in Japan is described as extremely gloomy. The Cotton Weavers' Association announces that the quotation in Japan is ten to 15 per cent higher than that in India. The only solution is dumping. Weavers particularly small parties who expanded their mills are now in an alarming plight, with little hope of an improvement in such an export situation. Weavers who specialise in domestic goods are also in difficulties, as their speculation has been a complete failure. They cannot do business on a paying basis.

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Mr. Takahashi, Japanese Minister of Finance, in a recent interview stated that he does not think an economic blockadge against Japan will be invoked. Unlike other countries, he said, Japan can furnish her own necessities of life. The only material over which Japan may feel anxiety is raw cotton, but even if cotton imports are rendered impracticable, Japan could use her own raw silk. All nations must know, said Mr. Takahashi, that any blockade will involve a loss to them; an economic blocade cannot easily be carried out.

Postal deposits in Japan show a continuing decrease. At the end of March the amount of deposits in Japan totalled Yen 2,686,800,000, which showed a decrease by Yen 15,210,000 over that of February 28, 1933.

The freight *Ryoyo-maru* left Kobe for America March 28 carrying Yen 11,800,000 worth of gold to meet pressing obligations in the United States.

Japan Strikes at Last Remaining Trade Route Between China and Soviet Russia!

NONE of the Chinese or foreign newspapers apparently have sensed the significance of of the present Japanese military drive in the direction of Dolonor (Tolun-noerh) which is an important pass in the mountains on the border between Jehol and Chahar. Dolonor is about 350 miles directly west of Mukden, but it is less than 200 miles north of Peiping and an almost equal distance northeast of Kalgan. There is an ancient trade-route connecting Dolonor and Peiping which passes through Kalgan and Shihpaerhtai, the last named town being directly north of Kalgan and adjacent to the overland route between Kalgan and Urga, capital of Outer-Mongolia.

Japan's object in driving into this area is two-fold: It will place the Imperial Japanese Army in control of an ancient Mongolian capital which is expected to have far-reaching psychological effect on the Mongolian leaders possibly causing them to desert China and join Manchukuo. Second, it will put Japan in a position to control and possibly cut the ancient trade route between Kalgan and Urga, only remaining overland trail connecting China and Russia.

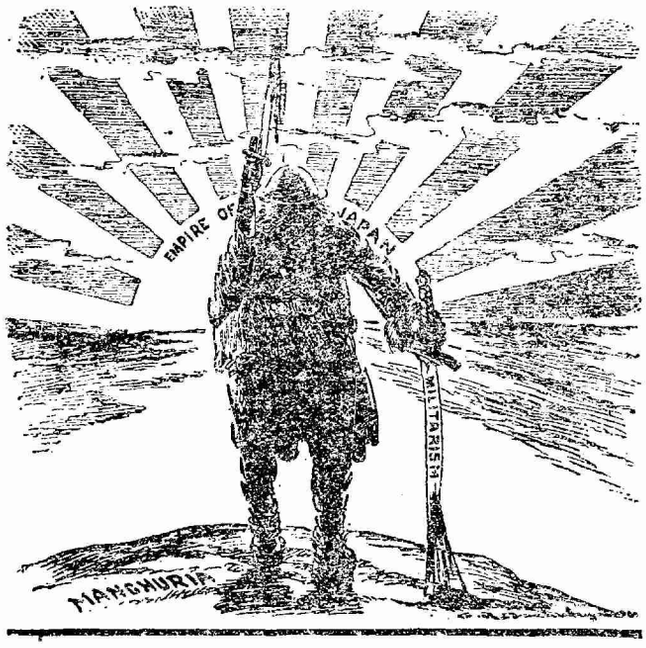
Whether the present Japanese drive into western Jehol and eastern Chahar has as its final objective the occupation of Kalgan cannot be stated at this time, but that Japan intends to cut the trade route between China and the U. S. S. R. seems obvious. Chahar province, which is a part of Inner-Mongolia, is now controlled by Gen. Sung Chih-yuan a former lieutenant of Marshal Feng Yu-hsiang and as for Marshal Feng, most outspoken of Chinese generals in advocacy of war with Japan, he is now headquartered at Kalgan. According to report much of the so-called Chinese volunteer activity in North Manchuria has been directed from Kalgan and it even has been reported on occasion that some of Feng's troops have been operating in Heilungkiang province against the Japanese.

That the Japanese drive into this territory is significant goes without saying. Early last January reports were current that Russia and China had reached an understanding for reopening the Kalgan-Urga trail. It was alleged that a Russo-German firm known as the Asia Trading and Engineering Company (Russian name Vostwag) which had been granted extensive trading facilities in Outer Mongolia by the Soviet authorities, had transferred its activities from Harbin to Kalgan and preparations had been made for establishing motor transport over the 900-mile road across the Gobi desert from Kalgan to Urga. The Chinese newspapers in Tientsin also reported that a large Chinese company known as the Ta-Tung Corporation had been granted the right to resume activities in Mongolia. This area has been closed to the trade of China practically since the Soviets assumed control of Outer-Mongolia. It was alleged in Tientsin that China and Russia had reached an understanding on this subject in order to circumvent Japanese intrigue among the Mongolian tribesmen. The Japanese always have been interested in this territory and their intrigue among the Mongols has greatly intensified since the beginning of the Manchurian invasion eighteen months ago. In her intrigue among the Mongols both in Inner and Outer-Mongolia, the Japanese have capitalized Mongolian discontent with both China and Russia. The Mongolians, being tribal people, have opposed the steady advance of Chinese farmers into their lands, while on the other hand the Mongols in Outer Mongolia have been dissatisfied with Soviet control which monopolized all trading and prevented commercial intercourse with Chinese markets at Kalgan, Peiping and Tientsin. Japan's advance into Chahar with the object of cutting the trade-route between China and Urga and annexing the area to Manchukuo is therefore likely to have far-reaching effects upon the relations of China and Russia despite the recent move of the two nations to resume diplomatic relations.

There always have been three lines of communication between China and Russia—via

steamer to Vladivostok and thence over the long Amur line to Chita. The second and more direct route was through Manchuria and over the Chinese-Eastern Railway to Manchouli and Chita. The third and last connection between the two countries, now menaced by the Japanese invasion of Chahar, leads from Peiping to Kalgan and thence by overland trail across the Gobi desert to Urga, capital of Outer-Mongolia. From Urga the trip to Russian territory requires from three to five days, part of it being along the Selenga River to Kiakhta on the Siberian frontier and thence to Verkne-Udinsk on the Trans-Siberian Railway near Lake Baikal. It has been reported that the Russians had started construction of a railway from Verkne-Udinsk to Urga, but this report has not been confirmed. They have been operating an air-service between the two cities for several years.

Marshal Feng Yu-hsiang's presence in Kalgan in the midst of these developments is most interesting because if the reports are correct he has established contact with Russia, it would be but a repetition of history. Feng obtained large supplies of arms and munitions from Russia in his wars with Gen. Wu Pei-fu in 1924-1925 and again allegedly during the period of Kuomintang-Soviet relations in 1926 and 1927. Reports published in the United States during February alleged that Russian arms were again being shipped to China through Mongolia, but whether these were propaganda reports from Japanese sources cannot be stated. The Japanese Military "Information Bureau" in Tientsin on March 27 published a report alleging that trading activity over the Kalgan-Urga route had been resumed and that Chinese business houses in Kalgan, long closed, had again re-opened for business.



Rising Sun—Or Setting?

—Macauley in the New York "Daily Mirror."

Practically all of the recent reports pertaining to the Japanese military drive toward Dolonor have been from Chinese sources at Peiping and Tientsin. A report through *Kuomin* from Peiping on April 3 stated that Japanese air planes had bombed Dolonor and that some 6,000 civilian refugees had arrived at Kalgan from the ancient Mongolian capital. A *Reuter* report from Peiping on March 31 stated that the Chinese commander Gen. Feng Chan-hai had reported considerable activity among the Mongolians north and west of Dolonor. He said that some 400 Mongol cavalrymen led by Japanese had appeared at the Shantien River about thirteen miles to the northwest of Dolonor. The Chinese forces in the vicinity of Dolonor, in addition to those of Gen. Feng Chan-hai, consist of troops under the command of Gen. Sun Tien-ying and remnant troops formerly under Gen. Tang Yu-lin, former governor of Jehol. Also it has been reported that Gen. Tang is in that territory, but that has not been confirmed. A report in the *Sun Pao* on March 30 stated that the Japanese force advancing through the mountains toward Dolonor consists of some 30,000 Japanese and Manchukuo troops. Gen. Huang Shao-hsiung, Minister of Interior and concurrently Chief-of-Staff to Gen. Chiang Kai-shek recently went to Kalgan to interview Marshal Feng Yu-hsiang, but whether he went to Dolonor is not known. According to reports from Japanese sources Marshal Feng recently urged Gen. Ho Ying-chin, commander of the Government's troops in north China to launch an attack on the Japanese lines in Jehol in order to relieve the pressure on Dolonor and Chahar, and it was also stated that Feng had sent an urgent request to Gen. Chiang Kai-shek that arms and munitions be rushed to Kalgan and also that a medical unit be sent there.

The *Sin Wan Pao*, leading Chinese newspaper at Shanghai on April 4 published a report from Peiping stating that serious disorganization exists among the Chinese troops defending Dolonor and unless a miracle happened, the city was likely to pass to Japanese control somewhat similar to what happened at Chengteh, capital of Jehol. The paper denied however, that Dolonor had been, or was likely to be abandoned without a struggle. The Japanese forces were reported within 30-miles of the city.

Chief interest in these pending developments rests on what line Soviet Russia is likely to take when Japan drives into Mongolian territory which long has been staked out as a definite portion of the U. S. S. R. In a recent pamphlet issued by the Japanese delegation at Geneva under the title, "Japan's Case," Mr. Matsuoka the Chief Japanese delegate referred to a powerful propaganda against Russia which prevails in Japan. The military and other interests behind this propaganda contend that Russia is a menace to Japan because of efforts to spread sovietism over the Far East and because of military developments within the Soviet Union. The Japanese who are chiefly concerned with these subjects, according to Mr. Matsuoka, think that Japan should strike at the U. S. S. R. before the potential menace fully materializes. He also stated, however, that there was another faction in Japan which believes that the conflicting issues between Japan and Russia should be settled by peaceful means. The *Japan Chroncile* in commenting on Mr. Matsuoka's statement, admitted the existence of these two lines of propaganda in Japan but said that the present "widespread and relentless war against opinions that are supposed to come from Russia, possibly is carried on by influential leaders

who favor striking before the menace materializes." The present Japanese military drive into the borders of Mongolia can be interpreted in no other manner than a "blow at Russia" for Japan's announced object is to completely split the Soviet Union off from direct contact with China through the creation of a Japanese-controlled buffer state in Manchuria and Mongolia. However, Japan's drive into North Manchuria and establishment of military control over the Chinese-Eastern Railway was a more direct blow at the U. S. S. R. and up to the present the Russians have done nothing about it. On the contrary they have caved in completely and let the Japanese have their own way, even to the surrender of railway rolling stock which the Russians had transferred from the C.E.R. across the border into Soviet territory. From present indications the Russians appear likely to follow a similar course with respect to pending Japanese military activities in Mongolia. From current report in the newspapers the Moscow authorities apparently are evincing much more concern over the alleged iniquities of a few British engineers in Moscow than they are over the entire Japanese menace in the Far East.

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Japanese Bomb Heavily Near Chinwangtao

The principal development during the week in the Chino-Japanese military operations along the Great Wall was an intense air bombing of Shihmenchai on April 1. It is described as being the severest aerial bombardment ever staged inside the Great Wall. Shihmenchai and vicinity were reduced to shambles. The Chinese have evacuated. A total of 19 Japanese airplanes, it is reported, participated in the bombardment, which raged throughout the whole day.

A Japanese aircraft carrier arrived at Chinwangtao late on the night of April 1, and a fleet of 10 airplanes flew over the Chinese defense lines near Chinwangtao and Haiyang, dropping more than 10 bombs. Chinwangtao is the shipping port for the Kailan Mines. An additional number of warships belonging to the Japanese Third Fleet are also reported to have landed marines and unloaded war provisions at Hsiehliangkou harbor near Chinwangtao. The activities of the Japanese air and naval forces near Chinwangtao, it is indicated, marked the advent of large-scale hostilities along the Peiping-Liaoning Railway inside the Great Wall.

The apparent object of the Japanese attacks in the Shihmenchai region is to take the entire triangle formed by the sea, the Great Wall and the Luan river, as Chinese operations along that section of the Great Wall have been causing the Japanese considerable discomfort.

It is generally believed in Chinese circles that the Japanese objective at present is Changli, half way between Peihaiho and the Luan river, where numbers of Chinese troops are concentrated.

A severe artillery duel was in progress at Chiumenkow, one of the passes across the Great Wall linking Jehol with China Proper, according to Japanese press reports from Shanhaikwan March 31.

Japanese Drop Ultimatum from Airplane

According to a Chinese despatch from Tientsin, a Japanese plane circled over the Chinese military headquarters near Shihmenchai on the afternoon of April 3 and dropped a document demanding the withdrawal of the Chinese forces from the area east of the Luan River. The Japanese note, it is added, threatened drastic measures in the event of non-compliance with the demand. The Chinese in the North consider the document a virtual ultimatum and expect the opening of a Japanese offensive at any moment.

Fighting was expected to break out near Shihmenchai again, as the Chinese are preparing another counter-attack on the Japanese, according to Japanese reports. It was reported that the Japanese military leadars have decided to occupy strategic points inside the Great Wall if the Chinese should continue to resist at Hsifenkow, Kupeikow, and other passes, despite the original policy not to invade China Proper.

Following repeated attacks by the Chinese at Chiumenkow, the Japanese "lost patience" and launched a strong counter-attack. The Japanese messages claim that the Japanese chased the Chinese across the Great Wall and occupied Shahochai, preparatory to attacking Hsimenchai.

How the Japanese Took Shihmenchai

(The following is the Chinese account of the Shihmenchai battle as recorded in a Kuo Min telegram from Peiping April 3)

Sanguinary fighting between the Chinese and Japanese troops on the Shih Ho (River) front was shifted to a point south-west of Shihmenchai March 2. Launching their general offensive March 31, morning, the Japanese and Manchukuo units assailed Shihmenchai with their combined infantry and artillery forces. Japanese airplanes also assisted the land forces in bombing the Chinese entrenchments. After occupying Shahochai, the main enemy force pushed forward to Shihmenchai under cover of heavy artillery fire and airplane bombardment. One Chinese regiment at Liangchiashan resisted the advance. At 2 p.m. April 1, 18 Japanese airplanes bombed the Chinese positions at Shihmenchai. Acting on the instructions of the commander at the front, the Chinese troops moved back and concentrated their forces at Houchuang and and Haiyangchen, south-west of Shihmenchai, the same night. When the Japanese reached the Shihmenchai front, they found themselves the target of attack by the Chinese from the two wings. The advance of the Japanese was thus stemmed. After further fighting, the Japanese took Shuichaiyu, east of Shihmenchai and a pass leading to Haiyangchen. The Chinese position at Shih Ho was now isolated. Japanese armored cars proceeded to the western bank of the Shih Ho (River) as soon as the damaged portion of the bridge was repaired. At 2 a.m., April 2, the Japanese resumed their assaults on our positions south-west of Shihmenchai. The Chinese put up defence works along the Tang Ho (River), Sha Ho (River) and Yang Ho (River), west of Haiyangchen. Lieut.-General Yao Tung-fan, Field-Commander of the Chinese forces on the Shih Ho front, directed the operations between the Tang Ho and Sha Ho.

Japanese artillery at Shanhaikuan shelled the Chinese positions on the right bank of the Shih river April 2. It is generally believed in Chinese circles that the Japanese objective is Changli, half way between Peitaiho and the Luan river, where numbers of Chinese troops are concentrated.

A *Rengo* despatch stated that notwithstanding the furious battle which had been fought since the small hours of April 1, at Shihmenchai, the Japanese casualty list for the Iwata, Sunakawa and Araki Detachments, recorded only 14 wounded, but not a single death.

Japanese Say Chang Tso-hsiang Has Been Executed

General Chang Tso-hsiang, commander-in-chief of the Chinese army in Jehol, was executed by Marshal Chang Hsueh-liang's troops in Peking, according to a report circulated among Japanese circles in Chinchow.

Kiangsi General Asks for Mobilization in the Yangtsze Valley

Mobilization of the national forces in the Yellow River and the Yangtzse River valleys for resistance against the Japanese, and those in the Pearl River Valley (Kwangtung) for the suppression of the Communist-banditry was advocated by General Li Lieh-chun and other prominent leaders of the Kiangsi Residents' Association in a circular telegram sent to Nanking March 30.

In the course of the Kiangsi message appears the following striking paragraph:—"The Japanese have declared that if a certain leader should take over affairs in north China and rigidly suppress the anti-Japanese boycott, the Japanese would be ready to lend their support to the Government of which that person is the leader. While these reports savor of sinister attempts to create discord among the leaders and must on that account be discredited, the fact remains however that the forces which the Government had used for the suppression of domestic revolts have not yet come into contact with the Japanese and that the forces under Generals Sung Che-yuan and Sun Tien-ying are either sorely deficient in provisions and supplies or have been left in the lurch."

Yenching Students Complete Drive For 10,000 Steel Helmets

The students of Yenching University at Peiping have completed a drive for 10,000 steel helmets for Chinese

soldiers at the various fronts. Altogether $13,000 has been raised for this purpose and more man 5,000 steel helmets have already been distributed among the soldiers at the various fronts.

Cantonese Students Urge Purchase of Big Swords

Funds are being raised at Canton to buy big swords for the Chinese armies now resisting the Japanese invasion. A campaign is also in progress to cut down expenses on food and clothes so that the money may be donated to the National Salvation Fund.

The purchase of swords is motivated by the gallantry of General Sung Cheh-yuan's Big Sword Corps. A resolution was adopted April 1 by the Canton Students' Union for the immediate purchase of 2,000 swords to be presented to the Chinese troops at the front, with the message that they are to be used for "hacking off the heads of our enemies."

Nanyang Co. Manager Gives $100,000 to Aviation Fund

Gian Yu-kai, general manager of the Nanyang Brothers' Tobacco Company in Shanghai has announced in a letter to Mayor Wu Teh-chen that he will contribute $100,000 to the National Aviation Association. The letter stated that the $100,000 contribution was to be used exclusively for the training of pilots for military service, and should be regarded as coming from the Nanyang Company.

General Chiang Kai-shek Resumes Anti-Bandit Operations in Kiangsi

General Chiang Kai-shek left Nanking April 4 for Kiangsi in view of the critical situation in that province.

A report from Nanchang, capital of Kiangsi, stated that the Communists were making a determined drive against the government forces.

The National Military Council announces that since February the government losses in Kiangsi have been heavy and that among those killed in action were a divisional commander and many brigade and regimental commanders. In one case a divisional commander committed suicide when he was wounded and his troops surrounded. It is also stated that two divisions of General Chen Chen's army were nearly wiped out by the Communists.

There is no prospect of General Chiang proceeding to the north in the near future. General Ho Ying-ching is in command at Peiping and General Chien Ta-chun in Paotingfu.

Marshal Feng Makes More Suggestions to Chiang Kai-shek

Marshal Feng Yu-hsiang has written another letter to General Chiang Kai-shek in which he submitted twelve proposals in connection with the anti-Japanese movement, the most important being that eight per cent of the national military expenses should be set aside to finance the anti-Japanese campaign.

Divisional Commander Killed in Kiangsi Communist Drive

A recent Nanchang message calls attention to the severe nature of the engagements between Government and Communists troops in Kiangsi province. Heavy casualties are suffered on both sides. After the death of General Li Min, Commander of the 54th Government Division, at Tungpi, General Kuo Ping-shen, Commander of the 37th Government Division, was also killed. These two Government divisions were surrounded by Communists at Tungpi and Huangpi last week. Fighting of a severe nature continued for three days and nights until the Communists were routed.

King of Siam Takes Measures Against Communism

A new law designed to suppress Communism in Siam was promulgated by the King of Siam April 3. The new measure declares that Communism would bring disaster to the nation and it provides that anyone spreading Communist propaganda shall be liable to imprisonment for a term not exceeding 10 years and a fine not exceeding a sum equivalent to Mex $8,000.

American Navy to Build Up to Limit of London Treaty?

Carl Vinson from Georgia, chairman of the House Naval Committee, offered a naval building program in the U. S. Congress April 1 providing for building 20 destroyers, five light cruisers, four submarines, and one aircraft carrier. The total expenditure for the first year would not be more than $46,000,000, he said, and he indicated that economies in the departments of national defence could probably provide this amount indirectly. He has favored rigid economy in naval administration, he said, but the time had come to build vessels up to the full limit of the London treaty.

The total cost of his program would be $230,000,000. Such a program would not only provide work for idle men and strengthen the efficiency of the Navy, he said, but would enable the United States to have something in hand besides a few blueprints when the Government discusses disarmament with other nations.

U. S. Air Force to Be Increased

Major General Benjamin Foulois, chief of the Military Aviation branch, is urging the strengthening of the American air forces. The chief of the Bureau of Aeronautics of the U.S. Navy in recent evidence before the appropriations committee of the House of Representative, gave the following figures as of July 1, 1932: France 3,244 machines; U.S.A. 3,014 machines; Japan 2,822; Italy 2,688; and Great Britain 1,900. The U.S. air forces were divided into 1,948 planes in the army and National Guard (Territorial) air corps; and 1,066 planes in the Naval air corps.

America Fails to Get Excited Over Arrest of British Engineers

The London *Morning Post* in an editorial last week stated that the arrests of the British engineers in Moscow "failed to excite in America the interest that might have been expected. The press of America carried only brief paragraphs on the Moscow arrests, and these were tucked away obscurely in the back pages. At the same time, front-page attention was given to Soviet-American relations and the question of early recognition of the U.S.S.R."

Six Britons in Russia Face Many Charges

The six British engineers of the Metropolitan Vickers Electric Company, who were arrested in Moscow on March 12 on a charge of sabotage are also being charged with espionage, sabotage, bribery, and conspiracy and not merely of sabotage, which was the charge on which they were originally arrested. At last reports, three of them were under detention and three had been released on bail.

Moscow Protests Anti-Soviet Actions of German Fascists

Maxim Litvinov, People's Commissar for Foreign Affairs, has strongly protested to the German Ambassador, Herr Von Dircksen, against cruel handling and the illegal arrests to which Soviet citizens in Germany have lately been subjected, and against the raids carried out on various branches of the Soviet trade delegation.

The *Tass* news agency says Germany is in imminent danger of losing her profitable trade with Soviet Russia as a result of the Fascist terror.

New Belgian Minister Will Establish Offices in Shanghai

The trend towards making Nanking (or Shanghai) the seat of activities by the representatives of Foreign Powers in China, reference to which was made in the editorial columns of *The Review* last week, was exemplied once more by the fact that the new Belgian Minister to China, Baron Jules Guillaume, who arrived here from Europe recently, will establish his office in Shanghai instead of proceeding to Peiping.

Mr. Bogomoloff, the new Soviet Ambassador to China is expected to arrive here on April 20. He will likewise be stationed in Shanghai, but is expected to proceed to Nanking to present his credentials as soon as he arrives.

Mr. Yoshizawa on a Visit to China

Kenkichi Yoshizawa, former Japanese Foreign Minister, and previously Minister to China, arrived in Shanghai March 31, on what is described as a "mystery visit." Accommodation for him at the Astor House was arranged by the local Japanese Legation. Conflicting reports appeared both in the Japanese and Chinese press concerning his supposed mission, but the indications are that Mr. Yoshizawa has come to China on a sort of "fishing" expeditions with a view of throwing out feelers as to a possible starting of negotiations between China and Japan. As a man without a portfolio he would naturally look up first of all Chinese officials likewise without official positions at the present time. Incidentally it may be stated that Dr. C. T. Wang, former Chinese Foreign Minister, departed from Shanghai when he heard that Mr. Yoshizawa intended to call on him. One of the most plausible reports was that Mr. Yoshizawa has the support of Mr. Shidehara, also a former Minister of Foreign Affairs, well known for his liberal tendencies, and who would naturally favor a policy of conciliation with China.

At the beginning of his visit, Mr. Yoshizawa confined himself to Japanese affairs. On the morning following his arrival he went to the Japanese Naval Cemetery in Chapei where he laid a wreath at the foot of the Monument dedicated to the Japanese sailors who had been killed during the Shanghai Incident last year. He then went to the Buddhist Temple on Chapoo Road, where he offered incense to the mortuary tablets of fallen Japanese. Later he paid a visit to Rear-Admiral T. Sugisaka, commander of the Japanese Special Naval Landing Party, at his headquarters on North Szechuen Road.

Roosevelt Cuts Veterans' Remuneration by G$450,000,000

President Roosevelt at Washington, April 1, signed an executive order reducing veterans' benefits and pensions by at least $450 000,000 annually. It is estimated that about 400,000 veterans who have been receiving payments from the Government will be stricken from the list entirely.

This follows a 15 percent cut in all Federal salaries, including the Army and Navy, which went into effect April 1. The reductions thus provided for, together with estimated revenue from legalized beer and wines, is expected to reduce the Government deficit by about a billion dollars.

Latest advices from Washington were that the authors of five different measures having as their object increasing the prices of silver have been conferring with a view to bringing before Congress a combined measure. The Senate has of late been somewhat lukewarm on measures concerning silver.

The trial of Charles E. Mitchell, former head of the National City Bank, on an indictment of attempting to evade the income tax, will commence in New York, April 17.

An investigation of the affairs of J.P. Morgan & Co. was commenced by the U.S. Senate during the week.

The House of Representatives passed a Bill inflicting heavy penalties on persons publishing diplomatic information prejudicial to the interests of the United States.

Petroleum Found in Szechuen

Oil has been discovered in southeastern Szechuen by General Liu Hsiang and he has appropriated a sum of $50,000 to send a special commission there to make investigations on the spot. A Germen company is said to have already engaged one geologist, one chemist, and several mining experts, from Germany, who are due to arrive in Shanghai shortly, on board the Italian liner *Conte Rosso*. They are due in Chungking about middle of April.

Japan to Sign Arbitration Treaty with Holland

According to the Tokyo *Miyako*, an arbitration treaty is expected to be signed between Japan and Holland before long. Since withdrawing from the League, the Japanese Government has announced that it means to settle all disputes that may arise between Japan and other Powers by direct negotiation, without laying them either before the League of Nations or before the International Court of Justice. To this end, it intends to conclude a separate treaty with each country. The treaty with Holland is said to be the first practical expression of this policy.

Four British Mercantile Marine Officers Captured at Newchwang

Four British officers of the Butterfield & Swire steamer *Nanchang* were carried off as captives by a band of pirates who boarded the vessel while it was lying at the bar at Newchwang (a Manchurian port) March 29. The Manchukuo police and Japanese army planes are searching for the perpetrators of this audacious act, but so far without success. However, one of the captives was released early this week; he brought to Newchwang the demands of the bandits, who are holding the three other captives in the Panshan neighborhood—near the same spot to which Mrs. Muriel Pawley and Charles Cockran were taken last autumn. The raid was made while the wireless operator was absent. In giving an account of the incident Capitan Robinson, the master, says the pirates made the attack while the officers were having lunch. The officers were caught unawares without their arms.

Manchukuo Questions Occupy Attention of League Committee

Signor Pilotti brought up at the meeting of the Advisory Committee of the League of Nations on the Sino-Japanese dispute in Geneva March 28 the matter of how to handle such matters as Manchukuo's claim for admission to the Telegraph and Postal Union, and how to treat Manchukuo stamps, coins, passports, etc.

The non-delivery of European and American mail parcels destined for Manchuria was made the subject of a letter to the Ministry of Communications in Nanking recently from the Czecho-Slovakian Legation, which complained that such parcels were being held up at the Chinese Post Office in Shanghai. The National Government telegraphically informed the International Postal Union that the mail service to Manchuria had been temporarily discontinued. It was also mentioned that the non-payment of duties at Shanghai as required by the new regulations may have contributed to the delay in sending parcels to Dairen and the S. M. R. railway zone.

Anti-Jewish Boycott in Germany Almost a Fizzle

The anti-Jewish boycott in Germany, of which so much was heard last week, turned out to be a comparatively mild affair. April 1 was set as the start, but in Berlin the boycott proved ineffective. The only disturbance was at Kiel where one Nazi picket and one Jew were shot. General von Streicher has announced that the original plans to continue the boycott would not be carried out. Following an announcement by Albert Einstein, famous mathematician, that he would renounce his German citizenship, his account of Marks 30,000 in a German bank was confiscated.

Reported Attack by Tibetans on Patang

A recent telegram from Tachienlu in Szechuen states that two Tibetan "Taipens" are advancing towards Patang in Sikang. The Chinese troops garrisoned on the eastern bank of the Kisha River are taking precautionary measures to prevent the Tibetans from crossing the river. The report also states that the Tibetan troops on the other side of the Kisha river have been increased and there is every indication that fighting in Sikang will be renewed shortly.

Macao Status to Be Discussed at Lisbon Conference

A recent message from Macao to the Chinese press stated that the Portuguese Minister for the Colonies is convening an Imperial Conference in Lisbon to discuss the affairs of the Portuguese colonies. The Governor of Macao, Lieut.-Col. A Bernardes de Miranda will attend the Conference. Matters of vital interest concerning Macao will be brought up at the conference, it is stated.

Dire Famine Conditions in Shensi

Reports from Shensi show heart-rending pictures of the famine conditions there. As a result of prolonged drought, most of the harvest has been destroyed. Most of the villages are deserted. The only people who come to Shensi are the merchants who buy the women and children from the famine sufferers and also land and houses at low prices. Famines refugees can be seen everywhere and those who can are moving out of the province.

The Manchurian Question and India

BY EUGENE CHEN

In the following message to India, Eugene Chen, former Minister for Foreign Affairs, defines the relation of the Manchurian question to the future defence of India:

THE attempt of Japan to destroy the International system which hitherto has sustained the territorial and administrative integrity of China, is a matter of profound interest to India, more especially to Congress India.

2. The day must come when the British shall leave India, after completing a task which, begun in conquest, has been transformed by the forces of historical development into a trustee's stewardship. And because events are moving swiftly under pressure of revolutionary changes destined to alter the existing order of Society throughout the world, the departure of the British raj from India may not be far distant. When this event takes place, the question of defending India against invasion will have to be faced.

3. In the past, invasion has come overland from the North-west and from the West across the sea. If and when Indian independence becomes a reality and the real government of the Peninsula passes into Indian hands, the overland danger in so far as it may consist of a possible irruption of frontier tribes can be dealt with by a comparatively small and highly mechanized army whose main striking arm may be an efficient air force.

4. But the danger from across the sea will be more formidable. It will not come from the West but from the East in the shape of Japanese naval power. India was officially brought within the orbit of Japanese naval power by the Anglo-Japanese Alliance on its renewal in 1905 and again on its second renewal in 1911. And the connection has since been powerfully riveted, so to speak, by the striking development of Japanese trade in India as a result of the Indian boycott of British goods and the Chinese boycott of Japanese goods.

5. As one form of Chinese resistance to Japan's military violence in Manchuria, the Chinese boycott of Japanese goods has been put into operation; and the boycott is also a national necessaity if only because it would be suicidal for China to buy Japanese goods and thus supply Japan with the means of financing her war of conquest in China.

6. *But the undoubted losses suffered by Japan through the Chinese boycott are being recouped by Japan in India.* The India market today is as important to Japan as the China market, and it is likely to become so important to Japanese industrial and commercial economy that just as Manchuria is said to be Japan's "life-line," so India may, not improbably, be claimed by Japan to be another "life-line."

7. On this view India will face the same danger that China will face from Japanese hegemony over continental Asia. For it will then become a vital Japanese interest to prevent the industrial development of India in a manner and on a scale likely to compete or interfere with Japan's thorough exploitation of the India market. But in planning to secure the eventual domination of India, Japan has of course no intention to settle her surplus population in the Peninsula, since there is no available "empty space" in India for the Japanese. In other words Japan's main objective in her designs on India is to capture eventually the entire monopoly of the India market and, as a necessary corollary, to prevent India from developing into an industrial state so that Indian production shall not compete with Japanese production in the India market.

8. If, then, Japan succeed in her present war of conquest in China and possess herself of the strategic and material resources to invade India on the morrow of the departure of the British raj (a development it must be emphasized, that is inevitable in view of the necessity of the India market to Japanese industrial power), it must be plain to India, particularly to Nationalist India, that there is a vital relation between the Manchurian question and Indian freedom and security.

9. Should India facilitate the Japanese conquest of China by allowing Japan to penetrate and exploit the India market, China must necessarily and fatally suffer. But if China suffers today, India will indubitably suffer tomorrow. Whereas if India cooperate with China by instituting an Indian boycott on Japanese goods—even if this involve a relaxation of the Indian boycott of British goods (which has in reality ceased to be a necessary measure of pressure to secure India Independence)—there is certain to be, should the day of danger dawn, a strong China, friendly and grateful to India, on the flank of Japan's line of invasion to the Peninsula.

10. This is a matter of deep concern to the whole of India; and therefore China appeals to Indian nationalists to move, through Congress action, the Indian masses to a realization of the Japanese menace to Asia and to other Indians, who share officially in the work of government, to raise in Council the question of Japanese economic penetration in the sense of an urgent matter affecting the present economic security and the future defence of India.

Shanghai District Court to Continue Present Status for Three Years

Beginning April 1, the Shanghai Provisional Court Reorganisation Agreement, by which the Shanghai First Special District Court and its appellate division known as the Second Branch Kiangsu High Court have been brought into existence, continues in force for another term of three years. The agreement was signed in Nanking on February 17, 1930, by delegates of the Chinese Government and various Powers concerned. It came into force on April 1, 1930, and was to have expired on March 31 this year. Upon mutual consent of the parties concerned, however, the agreement is extended for an additional period. The coming into existence of the Special District Court heralded a new era of the Settlement courts as now only Chinese judges sit both in mixed and Chinese cases.

The court agreements in the French Concession have likewise been renewed for a similar period of three years.

Japan Compels Soviets to Return C. E. R. Rolling Stock

The dispute between Manchukuo and the Soviets over the rolling stock of the Chinese Eastern Railway removed to Russia has been settled "amicably," that is the Japanese have compelled the Soviets to return to Manchukuo 3,800 cars which were removed to the Siberian Railway; and the Soviets are to pay a daily rental of three gold roubles for every cars of the C.E.R. held by them for the past two years. The question of through traffic between the Chinese Eastern and the Siberian railways has not yet been settled.

Eastern C.E.R. to Maintain Day Service Only

Evidently as a result of recent bandit raids, the authorities of the Chinese Eastern Railway April 2 announced that the international train service on the eastern section of the Chinese Eastern Railway would be maintained only during daytime. Passengers and goods are being transhipped at Hengtaohotze.

Shanghai Science Institute

The Shanghai Science Institute, 122 Route Ghisi, was opened to the public April 1 to commemorate the Foundation Day. Dr. Chiyonosuke Yokoto, the president, received the guests.

The Shanghai Science Institute was established under the auspices of the Shanghai committee of the Oriental Cultural Work organised by the Sino-Japanese Commission which the Chinese and Japanese Governments appointed after obtaining their official understanding. The object of the Institute is to make an inquiry into the pure theories underlying natural sciences. Emphasis is laid on the promotion and cultivation of the research abilities of Chinese seekers after scientific truths. The Institute is intended to be instrumental in deepening and broadening the knowledge of natural sciences in China.

The Institute is divided into two divisions, *i.e.*, the Division of Natural Science and the Division of Medical Science.

The funds used in the construction of the Shanghai building came from the Japanese share of the Boxer Indemnity and represents Japan's first actual refund of this money to China. All other nations with the exception of Netherlands have returned their indemnities to China and the question of the Holland fund is now being discussed at Nanking.

The Road to National Salvation

BY WANG CHING-WEI
President of the Executive Yuan

AT this most critical moment in the history of the country, when all the comrades are striving their utmost to meet the situation, I could not, in all conscience, remain in Europe to complete my cure and recover from the effects of my prolonged illness. When the deplorable news of the fall of Shanhaikwan reached me in my hospital at Tübingen, I felt that in spite of my poor health I had to return to China at once. My anxiety was further increased on my way home when I learned of the loss of Jehol, although, subsequently, I was gratified to hear the news of Comrade Chiang Kai-shek's departure for the North. I felt considerably relieved because I knew what effect General Chiang's presence would have on the morale of our men at the Northern defense lines, how it would strengthen their determination and fighting spirit. On the other hand, when thinking of the sufferings and sacrifices of our troops at the front and of the difficulties confronting the various comrades in the Central Party and Government organizations, I could not help feeling more and more uneasy. This being my first public utterance since my return to China after an enforced absence of so many months, I am taking this opportunity to express my heartfelt appreciation for what the comrades, both at and behind the front lines, have gone through.

China's position today is such that here is no alternative but the most determined resistance. It is true that diplomatic negotiations must go hand in hand with armed resistance, but of the two it is the latter which is more likely to lead to a fundamental solution, for without resistance there can be no prospect of success in negotiation. The recent decision of the League of Nations has clearly proclaimed Japan the aggressor and China the wronged party. This proves that international justice is not yet extinct. While this may be regarded as the result of diplomatic negotiations, it is even more so the fruit of our resistance. Hereafter, therefore, the more strongly we resist the more hopeful will be the results of our negotiations. This is why I say that the only way out of the present situation is to be found in active, determined, resistance.

The Policy of Resistance

With regard to successful policy of resistance, we must realise that the first requisite is the unswerving determination on the part of everybody concerned to carry through the policy, the second, the development of our national strength and ability. It is necessary that every single individual in the country be determined to face the difficult national situation. But this, I think, is already generally recognised throughout the country. What we therefore must concern ourselves particularly about, is our strength and ability to continue the resistance. How is this particular ability expressed if not primarily in armed force? The fact of the matter however, is that we are sorely deficient in military equipment. Our guns, bombs and other implements of war are not comparable to those of our enemy and the fighting which is now going on between our comrades at the front and our enemy is almost comparable to a fight between unarmed flesh and blood on the one side, and highly mechanised implements of modern warfare on the other side.

Where are the implements of war to come from? And is our strength and ability to resist only expressed in fighting machines? We are an agricultural nation. But, according to Customs statistics, we imported food-stuffs to the amount of Tls. 300,000,000 for last year. This means that agricultural nation though we are, we had to spend Tls. 300,000,000 on imported food-stuffs or the entire nation would have had to face starvation. What surplus funds could we in these circumstances really have to purchase arms and ammunition? I have mentioned this to show that resistance is not limited to military weapons. In other words, there are other equally, if not more, important aspects to the problem of resistance.

A modern nation pays the greatest attention to the question of productivity during ordinary times. The productivity of a people must be increased in normal times so that in times of war all resources can be utilised. Therefore, the greater the people's productivity, the greater their power of resistance. Take for example Russia. The former Czarist Government paid little or no attention to the productive enterprises of the Russian people and laid only stress on military preparedness, with the result that after the war broke out with Germany, Russia rapidly went down to defeat. Take another example, the United States of America. The American Government, while generally not concerned with the question of military preparedness, was able at a moment's notice to summon together two million soldiers and was able also to ship huge quantities of military supplies to Europe as soon as the war with Germany was declared. There is only one explanation to this, and that is the American people had attained to a high degree of productivity. Thus it is obvious that the ability to resist lies primarily in the productivity of the people.

But how is a people's productivity to be increased? My reply is that the first necessity is that the people be given the opportunity to lead a peaceful life and fully to enjoy the fruits of their labours. Their life, property, and freedom must be fully protected. So, when you speak of resistance, you immediately go to the fundamental questions of political administration and social adjustments. In this light, the problem of military preparedness thus becomes a problem of secondary importance.

Moreover, as a matter of fact, our ability to resist is not altogether a material one; for the spiritual aspect is at least of equal importance. I do not wish to take you back to the past, but let me just cite one example. The fall of Chengteh was the direct result of non-resistance by Tang Yu-lin's troops. These troops were generally fairly well equipped and armed. Why did they fail to resist? For the simple reason that they were cursed with the planting and the smoking of opium. Is it to be wondered that the result was as it was? You could not expect resistance from an opium-cursed army. As for the people, they had been forced to plant and smoke opium, and even if had they wished to resist, they did not have the necessary will power and strength. It was too much to expect them to resist at all, not to say for any length of time. The outcome was a foregone conclusion and this was what had actually happened.

It is plain, therefore, that of two armies with similar equipments, only the one that has received proper training and has imbibed the spirit of the National Revolution can be depended upon to offer any effective resistance. Victory invariably goes to those who have the necessary will-power and are imbued with the proper spirit even though possessed of only inferior equipment; never to those who lack the proper spirit even though they may be in possession of all kinds of material advantages. This is especially true in the military sphere. In a word, in trying to strengthen our power of resistance we must go deeper, down to the fundamental questions of political and social adjustments. For on their solution depends our power to increase the national productivity, and, in turn, our military preparedness.

The Problem of National Preservation

The real problem confronting us is therefore not the problem of resisting the Japanese aggression, but the very problem of national preservation. The entire people must realise that they are struggling for their national existence. Not only must we be spiritually determined, but we must also develop our material ability to resist. Failure in either would face the nation with complete extinction.

The conditions today are reminiscent of the conditions prevailing three hundred years ago when the Ming Dynasty came to its tragic end. The Chinese generals were then fighting against the Manchus at Liaotung, while the officials charged with the destiny of the nation were loud in their demands for resistance, treating those who even mentioned peace with the Manchus as traitors. The reality however was that while there were plenty of soldiers, there was no ammunition China's armed forces then thus amounted to only so many generals without soldiers, for soldiers do not count when they have no fight in their hearts. And when the enemy arrived, there was no other way of showing one's patriotism but death. There was the determination to resist but there was not the strength to resist, and the country therefore was completely lost.

It is not for us to travel the same path today. The fact that we do not at present possess adequate equipment for resistance cannot be hidden. But with the country as big as it is, and with a population of four hundred millions, it is sheer cowardice to insist that we cannot attain to the material strength necessary for, and be guided by a spiritual inspiration to, a successful resistance.

Our problem is fundamentally not the lack of productivity. With the common people, it is purely a case of protection and assistance. In fact, occasionally our people fail in their productive enterprises through misgovernment. If we can pay attention to protecting and assisting our people to produce, and then apply their productivity to matters of military preparedness, we can hope for a lengthy period of resistance.

During my illness in Europe I carefully studied the various resolutions of the Third Plenary Session of the Party pointing out the needs of the times and laying down the general principle for the Party to follow. But what we need today is action, not words—immediate action. Our ancient sages said, "The good and the bad are enough to ruin the nation." By this it is meant that if we cannot make use of the good and discard the bad, the country will head for destruction. Merely having a mixture of good and bad is like so many words; making use of the good and avoiding the bad means definite action. When one dwells upon this point, one cannot help feel remorseful.

Destructive Activities

Why have we not been able to enhance the productive power of our people? Why have we not been able to apply our people's productive power to military strength? It is entirely due to the fact that the bad ones among us have been engaged in destructive activities and caused all kinds of obstacles, exploiting the fact that the Central authorities, with their hands full in dealing with the problem of resisting Japan, cannot give the attention to make their destructive activities impossible. The Central authorities, however, are determined to see that these destructive elements put an end to their sinister activities. For it is only by exposing their crimes and stopping their destructive activities that those who believe in co-operation can effect solidarity among themselves and be able to face the crisis. As for the bad elements, they can only be treated as outcasts. Whether we can make use of the good and discard the bad is a question of action; and whether we wish to make use of the good and discard the bad is a question of choice. If we are determined in our choice of action, then it is not difficult to see action; otherwise, only empty words will be the result.

China's road to national salvation thus lies fundamentally in the strengthening and fostering of the democratic and other reconstructive forces of the country, not in the blind, superficial imitation of other countries, not in the wholesale transplantation of such alien systems as Communism and Fascism. The popular saying that everything foreign which comes to Chnia becomes bad and corrupted, contains a great deal of truth, and my convictions have only been strengthened by what I recently saw and observed in Europe.

The so-called Communist experiment has been tried, and found wanting. It is nearing its end, and no useful purpose is thus served by enlarging on it here. This is however not the case with Fascism, which is acquiring an increasing, if yet insignificant, number of adherents in China. Fascism is alleged to have saved Italy; it is being officially tried in Germany; so why not apply it as a panacea to China's ills?

But granted it to be a fact that Fascism has been beneficient to the Italian and German peoples—which I have strong reasons for doubting—the advocates of Fascism here forget that there are certain fundamental differences between the conditions in China and the conditions in Italy and Germany. Both these countries were essentially democracies, with a long period of political education along constitutional lines, with the people in possession of certain constitutional rights and powers. How they utilised these rights is not for us to judge, but the fact is that the Fascist Dictatorship in those two countries is to some extent based on popular support. The Fascist movement there are fundamentally civilian in character, neither Signor Mussolini nor Herr Hitler being military leaders. No armed force worth speaking of entered into play when the Fascist regime was established both in Italy and in Germany. Eight thousand Italian Fascists marched on Rome, it is true, but the Fascist dictatorship in Italy was not the outcome of civil war, while in Germany the Fascist Dictatorship is primarily the result of the ballot box. Both Signor Mussolini and Herr Hitler effected a coup d'état but their coup d'état—if what they did could be called such—was only more or less in the nature of constitutional revolution.

Feudal Militarism Dominates China

China, on the other hand, is still dominated by a feudal militarism. The people here enjoy, generally speaking, very few rights; they are still far from the constitutional period—suffering under the oppression of a predatory militarist regime. Even under the nose of the Japanese invasion armed forces have been utilized for the purpose of settling internal differences, and in the last fighting in Szechuan alone between 40 and 50 thousand casualties were suffered. And while the Central Government is getting stronger everyday, it is yet unable to exercise the full force of its authority throughout the whole of the Republic, being in many parts hampered by the prevailing system of regional independence.

In these circumstances, a Fascist movement in China could only mean a movement for the establishment of a military dictatorship. And since there are so many outstanding military leaders, an attempt of any one of them to proclaim, with the aid of the so-called Fascists, himself the dictator of China would immediately lead to a most sanguinary civil war on a nation-wide scale. And to what purpose? Our primary efforts should be directed to fostering and strengthening the democratic and other reconstructive forces of the nation, to establishing a true democracy, not to instigating movements which could only lead to a national self-destruction. After we have established a true democracy, it is still time to think whether we as a nation would go the way of Britain and France or that of Italy and Germany.

With the national state of affairs at such a critical stage, the above may sound unrelated and disconnected. But it is important to realise that there is no other way open to us except carrying on as best we can. We cannot now even afford to speculate on the chances of success and failure—not even of life and death. We can only prepare ourselves so that we will have an opportunity to die on the field of honour instead of in our beds. Although we may not live to see our nation saved, we must show our successors a definite way out. And that way is by promoting and fostering productive enterprises, and applying such productive power to military purposes, so that we may carry on an effective and sustained resistance for the preservation of our nation.—*The People's Tribune.*

World's Raw Steel Production in 1932

Raw steel production statistics for 1932 recently published in Paris give the following figures:

United States	13,314,000	tons
Germany	5,750,000	,,
France	5,604,000	,,
Great Britain	5,340,000	,,

Before the war, Great Britain occupied third place and France fourth.

Military Training for Chinese Students

Military training has been introduced into 178 schools in 17 provinces in China, according to a statement recently published by the Department of Military Training of the National Government. So far only higher middle schools, colleges and universities have enforced military training. As many of these schools are co-educational, the Ministry of Education has decided to give women students training in nursing and first aid work.

Illegal Betting Profits Taxed in England

Justice Finlay in England recently decided that the profits of illegal betting business are liable to income-tax. *Reuter* says that the argument that the State should not soil its hands by sharing in ill-gotten gains cannot affect the legal aspect of the matter; and even those who urge that the law should be amended must consider whether honest citizens can very well be mulcted for taxes from which the law-breaker is exempt.

Factory Inspection in the Shanghai International Settlement

BY B. Y. LEE (李炳郁)

During the past two months more than one hundred young Chinese operatives of three Chinese-owned factories located in Shanghai met untimely deaths as a result of fire and explosions. Two of these factories were located in the International Settlement area and the third was in Chapei. These factory holocausts bring to our attention the urgent necessity of efficient factory inspection in this industrial center, equipped with power to deal with industrial establishments not complying with rules. What proved to be the most serious catastrophe in the history of the Settlement Fire Brigade, occurred during the third week of last February, when 81 young girl operatives were lost and more than 50 persons were injured in the explosion and fire at the Tsia Tai Rubber Factory on Tongshan Road, International Settlement, which resulted in the loss of scores of lives, the largest number ever recorded in a single disaster in the International Settlement. The tragedy at the Yung Woo Industrial Company on February 28 this year cost the lives of a score of young girls. Fortunately, the factory was equipped with a large number of exits through which the workers escaped as soon as the fire started before the vulcanizers exploded.

The vital necessity of factory regulation and inspection by proper authorities is very evident, as was proved when the Ku Tien Sheng Cotton Factory and godown located on Chegtu Road, International Settlement, caught fire. There 60 workers, encamped on the roof of the plant, were rescued with great difficulty by the fire brigade. That workers were permitted to take quarters on tops of roofs was in itself a danger but when stairways were cluttered with cotton bales and refuse it became not only dangerous to the workers in the building but also to firemen who might attempt to use these stairways in case of emergency. These accidents made clear once again the importance of regulation by which the Shanghai Municipal Council can carry out inspections of factories which are powerful firetraps. Unless some form of factory inspection by proper authorities can be instituted, numerous workers are bound to be trapped and burned to death each year. Some people believe that there is not any great need for inspection among the larger factories in the Settlement inasmuch as these are owned by larger corporations who realize the necessary of taking precautions against the possible outbreaks of fire. Where the real danger lies, is among the smaller factories which, running on an extremely narrow economic margin, do as little as possible towards anything that may mean an additional expense. Contrary to the general public opinion, the principal tragedies took place in large factories.

Cooperation Needed

In the matter of factory inspection, real co-operation is called for between Chinese and foreign administrations in Shanghai. It is criminal to postpone the system of factory inspection on the pretext of differences of jurisdiction and in matters of procedure. The question of extra-territoriality is one thing and that of factory inspection is another, for practically all workers of factories, whether owned by Chinese and foreigners, are Chinese. The matter of factory inspection can not, must not, be left until many problems concerning the jurisdiction of the Settlement are settled. The enforcement of adequate safety precautions is a matter of great need. The callousness of employers, the inefficiency of managements, the pretext of jurisdictional differences, must not be permitted to result in the continued and terrible sacrifices of hundreds of young human lives.

Last year, 19 workers were burned to death in the International Settlement, and 65 seriously injured and maimed in flames. In each instance in the case of the 19 people who lost their lives, the individuals had succumbed to the flames before firemen could arrive on the scene. Figures from previous years revealed that last year's fatalities were not extraordinary but merely the average. Unless some form of regular inspection can be instituted, numerous workers are bound to be trapped and burned to death every year. Figures for the present year so far have revealed the highest and heaviest fatalities in the history of the International Settlement. Moved by deep sympathy for the great loss of human lives each year, decent employers in this locality, both Chinese and foreign, would not oppose a system of factory inspection. It is the employers who are ruthless in their exploitation and callously indifferent of the lives and welfare of their employers who may be expected to object, and to figth bitterly any attempt to regulate their enterprises.

The Shanghai Municipal Council has summoned a special meeting of Ratepayers on April 19, to amend Bye-law 34 to include factories in the list of industrial enterprises requiring licenses. There is every reason to believe that the resolution to be submitted to Ratepayers will be carried without opposition. Factory owners and employers of labor among the foreign community in the International Settlement have carefully considered the question of factory licensing and it is understood that the Employer's Federation of Shanghai, which includes all the leading foreign employers in the Settlement will give full support to the resolution. It is understood that the Municipal Council in drawing up the proposed factory laws and regulations will follow as nearly as possible the Chinese Government Factory Laws, having regard to their applicability to International Settlement conditions. The Council's proposed factory laws, it is understood, have not yet been finally drafted; the Council will first seek the power from the Ratepayers, and after having secured it, the Council will proceed to protect the lives and health of the workers. Then the Council must appoint its own officers for this purpose, and the work must be considered as the Municipal Factory Laws, which are more or less based on the principles of the Chinese Government Factory Laws promulgated in 1929.

Chinese Opposition

On the Chinese side, however, many meetings have been held recently at which were discussed ways and means to oppose the Shanghai Municipal Council Factory plan. Foreign inspection of factories in the International Settlement, where all workers are Chinese, is a negation of Chinese sovereignty. Organized opposition to the present attempt of the Shanghai Municipal Council to obtain authorization from the Ratepayers to inspect factories in the Settlement was recently urged by representatives of more than 30 local labor unions who participated in the discussion held at the Shanghai Chinese General Chamber of Commerce under the auspices of the China Factory Inspection Association. For the sake of China's sovereignty as well as the welfare of the laboring populace, the Chinese should immediately enforce its factory laws specifying periodic inspection of working premises, it was declared in the manifesto. It is now a question of jurisdictions. Both the Chinese Government and the Shanghai Municipal Council are aiming to provide greater safeguards for safety and health of the thousands of Chinese workers engaged in factories located in the International Settlement. A greater spirit of co-operation between Chinese and the foreign interests is needed in order to reduce the number of workmen burned to death each year.

It should be remembered that the National Government promulgated the Factory Law, which was originally intended to be enforced throughout the whole of China as from February, 1930. As a result of a petition of the factory owners, the date of enforcement was postponed for six months. It was thought the law would have become effective on August 1, 1930. Since the promulgation of the new law, the Ministry of Industries has been working steadily for a factory inspection service in order that the new law shall not be a dead letter as previous legislation of similar nature has been. Up to now the Law still remains a dead letter as far as the Shanghai International Settlement is concerned. Despite the fact that the Council has agreed to the principles of factory inspection in the Settlement, any effort on the part of the Chinese authorities to enforce the issue have met with opposition and complications. The Shanghai Municipal Council is favorable to the institution of a system of factory inspection, but it takes the attitude that, as the administrative authority in the International Settlement, the right to impose any regulations reposes in the Council alone and not in any outside body. During the past two years the Chinese authorities have repeatedly urged an early solution of the matter but have only met with the strongest opposition on the part of the Council, which it is stated, will act as it sees fit.

A large percentage of the factories in China are located in Shanghai, particularly in the International Settlement. If the Council acts independently and the Chinese Govern-

ment can not enforce its own system of factory inspection, the Factory Law, promulgated in 1929, will still remain a dead letter as far as the unifomity of its applicability throughout the whole of China is concerned, for Shanghai is a part of China. In the International Settlement area there are more than 250 industrial concerns, other than Japanese, in normal times, employing nearly 150,000 workers. There are 59 Japanese industrial concerns in the International Settlement including 30 cotton mills, employing more than 70,000 workers. In normal times there are about 230,000 industrial workers who depend for their livelihood on employment in manufacturing concerns in the International Settlement. In order to improve the working conditions in China's factories, and to safeguard the working class from industrial risks, the articles of the New Factory Law, promulgated by the Chinese Government in 1920, must be enforced first in the International Settlement's industrial concerns. According to the latest statistics available, the number of modern factories and mills in the whole of Shanghai is about 300 and number of operatives around 300,000. A large number of smaller industries employing less than 30 operatives and a few machines can not be classified as to the Factory Law.

Mainly owing to the unsettled political situation during the past years, the Shanghai Municipal Council has taken no action to convene a meeting of Ratepayers for the purpose of authorizing an amendment to permit the regulations and inspection of factories. Nevertheless, the Bureau of Social Affairs of the Greater Shanghai Municipality has commenced an inspection of factories in Chinese controlled areas. Inspectors of the Bureau of Social Affairs have visited factories in Chinese controlled-areas to see that the New Factory laws were being enforced and strictly observed by the management of the mills. These laws also govern the working hours of factory operatives, the wages they should be paid and also provide for medical treatment for the workers. In view of the fact that in the course of the past two months there have been three factory holocausts in Shanghai, more articles of the factory law regarding to the safety of human lives and the elimination of industrial risks must be added and enforced.

Chinese Inspectors Impotent

Factory regulation and inspection in China, unfortunately, is a problem involving international complications by reasons of the existence of foreign concessions and settlements. Many factories owned by Chinese are located in these areas. In the exercise of his duties, a factory inspector may be confronted with a peculiar situation in these areas where the Chinese authorities have no jurisdiction and hence he is not permitted to do anything. Both Chinese and foreign factory owners having their industrial enterprises located in foreign settlements, are able to escape the limitations, such as the employment of children and women workers for night work, etc. The advantages enjoyed by these extra-territorial factories over competitors in regard to control of hours and conditions of labor are of very material importance. The cost of production can be kept down by the systematic exploitation of cheap labor. Practically all the large factories in China are located in foreign settlements. For example, there are 65 cotton mills and 19 flour mills in Shanghai, and out of the total, there are only four cotton mills and two flour mills located outside of the International Settlement area. There are no reliable statistics available to show the development of Shanghai's industrial activities during the past years of unsettled political conditions. It has been roughly estimated that Shanghai's industries increase at the rate of about 20% per annum. Thus the relations between Shanghai's industries and the applicability of the Chinese National Factory Law can be readily seen.

The greater part of the New Factory Law, promulgated by the Chinese Government in 1929, is based on similar legislation existing in most civilized countries. Foreigners in China and at home should gladly welcome such legislation, which is already enforced in their own countries. Whether a factory is located in a Chinese-controlled area or in a Foreign Settlement is immaterial as far as the Factory Law is concerned for the factory operatives are Chinese, and as such, the Chinese Government is fully justified in exercising the right of control and protect its own nationals from being exploited. In 1931 both the Chinese Government and the International Labor Office at Geneva were very enthusiastic in the organization of a factory inspection service with the valuable assistance of Dame Anderson and Mr. Pone from Geneva, and it was then thought that the factory inspection would have started shortly. Now more than two years have passed since the visit of these two labor experts from the International Labor Office, and still no definite accomplishment has been achieved, owing to the fact that the Shanghai Settlement authorities have not yet agreed to the principles of factory inspection in the International Settlement factories.

The key to successful enforcement of the Factory Law lies in the co-operation of foreign authorities to permit Chinese factory inspectors to enforce the articles of the law in factories located in foreign settlements on the same footing as those in Chinese-controlled areas. It may be true that the Factory Law does not entirely fit the existing conditions in the factories. Amendments and modification will be necessary as conditions become changed. Since the Chinese Government has done a wonderful piece of legislative work with a view to improving the working conditions in its factories, what she needs now most in regards to the enforcement of the Law is to secure co-operation with the foreign authorities, so that factories both in foreign settlements and in Chinese cities are to be inspected in accordance with the principles of the Factory Law. When this co-operation is fully secured, the welfare of Chinese workers is assured, the workers' efficiency is increased, and the labor problems will assume a brighter aspect.

Shanghai, March 31, 1933.

So-Called Communists Arrested Wholesale in Japan

The ban on the publication of Communist activities last autumn in Niigata prefecture was lifted March 22. As a result it was revealed that by mobilizing 800 members of the prefectural branch of the All-Japan Farmers' Council the radicals were to attack the big landlords of Niitsu, and destroy the communication systems of the district when the dispute was at its height. Among the prisoners are a large number of primary school teachers and students. The campaign was brought to light with the arrest of Kazuo Kumakura on October 30 last year, when he was attending a conference of leaders of the party at Atami followed by the raids in Niigata on November 6. Out of 96 who were arrested, fifteen were formally indicted, in addition to 27 others previously indicted.

The press ban was lifted March 29 on a Communist intrigue, involving three sailors of the three battleships, (*Nagato, Haruna and Yamashiro*), who were arrested in September last year on a charge of trying to spread Communist ideas among the crews of the battleships in co-operation with some Communists ashore, who were also arrested.

Miss Kiku Kato, a Communist of Osaka who allegedly played an important role in the August 16 incident, was sentenced in the Osaka Local Court recently to three years in prison. She was tried on a charge of violating the Peace Preservation Law.

According to the Tokyo *Jiji*, some 500 primary school teachers in Japan have been arrested since 1926 for "thought" offences. Quite recently, nearly 100 teachers were rounded up in a single prefecture.

A resolution urging the Government to steer the nation's thought trends to safer and saner channels and a suggestion that the Government introduce a drastic reform of the nation's educational system, was submitted to the Government recently by the two major parties, the Seiyukai and the Minseito.

Retired Chinese Admiral Is Now Relief Worker

Admiral Sah Chen-ping, of the Chinese Navy, retired, according to a recent paragraph in the *North China Daily News*, has been for the last six or seven years devoting himself entirely to charitable work in Fukien. He works in the bandit infested areas, or in relieving those distressed by floods. He depends on subscriptions from his friends, both foreign and Chinese, to help him in his work. Admiral Sah has one son in the Ministry of Railways, and a grand-nephew, Commander S. C. Sah, in the Chinese Navy, now Captain of the *Chu Tai*.

Nanking Road Cleared of Japanese Goods

The Chinese newspapers state that as a result of the investigations made by the Nanking Road Trade Union, Nanking Road in Shanghai is practically cleared of Japanese goods except a few grocery shops which are about to wind up their business. Only one shop then carrying on a cheap sale was found to be selling Japanese goods mixed up with goods from other countries. The shop refused to listen to the inspectors saying that there was no other way to dispose of their goods, seeing the shop was about to close down. It is understood that the Union has decided to send a letter of warning to the shop in question.

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Soviet Oil Distributors in Shanghai Plan Huge Expansion

The Kwang Wha Oil Company, distributors in Shanghai for Soviet gasoline, are planning to secure permission from the International Settlement and French Concession authorities to install 50 filling stations. At present they have only two. Fifty pumps for the new installation have already arrived. It is stated that the Kwang Wha organization is now selling about 300,000 gallons of gasoline a month in China. This is six times more than the amount sold monthly during the latter part of last year. In addition to gasoline, there is stiff competition between the Kwang Wha Company and the British and American companies in the kerosene market. Kwang Wha has distributed as much as 3,000,000 gallons of kerosene a month. The Soviet products are sold at slightly lower prices than the British and American products.

Rumania Oil Producers Object to Cut in Output

At the International Oil Conference in Paris March 29, Rumania bluntly refused a request that she should accept a further reduction of her quota.

It is expected that the American members of the conference, who renewed their promise that they would effectively control their independent producers, will reduce their own production to counter-balance any increase by American independent producers.

Britain's Revenue for Year Amounts to £744,791,000

Figures published by Great Britain on March 31 show that revenue for the year amounted to £744,791,000 while expenditure, excluding the payment to the United States government of the war debt instalment due in December last year, totalled £748,114,000. A deficit of £3,323,000 is reached after providing £17,250,000 for the sinking fund. The payment to the United States was £28,956,000, making the total deficit £32,279,000.

More "Armed Immigrants" for Manchuria

Representatives of the Japanese War and Overseas Offices and the Immigration Office of the Japanese Kwantung Army in a conference at Tokyo March 29 decided that immigrants going to Manchuria this year will be settled around Chiamussu and Wingfongchen in Kirin, the same locality as the former batch sent last autumn. The main requirements of these immigrants are that they must be under 30 years of age, healthy in "body as well as in spirit" and must be members of the Reservists' Association. The selection will be made jointly by the military authorities and the local branches of the Reservists' Association in the districts selected. The applicants to be drawn this year are from the north-eastern districts of Japan. Five hundred such immigrants —they are described as armed immigrants by the Japanese news agencies—are to be sent from Japan to Manchuria this year.

Comments by London Weekly Papers on Japan's Withdrawal

The London *Spectator* says that if Manchukuo is an independent state and that Japan proceeds to endow her protege (Manchukuo) with ships of war outside the limits set her by the London Naval Treaty a very serious situation will arise.

The *New Statesman* expects that Japan at the Disarmament Conference will demand increased armament for both herself and Manchukuo.

The *Saturday Review* describes the withdrawal of Japan from the League as catastrophic for the League's influence in the Far East but denies that war will result, though Japan may be forced to continue the "armed defence" of Manchukuo.

Japan's Naval Branch at Changchun

The Japanese Navy Ministry has decided to establish a branch office of the Navy, which is equivalent to a naval station, at Changchun, capital of Manchukuo. The duty of the new office is to guarantee the protection of the Manchurian coast and rivers.

Chinese Constitutional Developments

BY C. Y. W. MENG (孟長泳)

THE Constitutional government in China is a product of western contact and intercourse. But the existence and development of the constitution are something indigenous to China itself.

(1) Early Constitutions

As early as 2000 B. C. China had already had a constitution. The "Chow Li" (周禮), or laws providing the governmental systems and laws enforced in the Chow Dynasty, form the basis of the Chinese constitution. The "Liu Tien" (六典), of the Tang Dynasty, or six sets of laws providing for the organzation, functioning and powers of the important offices in the government, and the principles for the formulation of policies of the government, is the oldest yet existing Chinese written constitution. The "Liu Tien" is modelled on the "Six-Office System" of the "Chow Li" of the Chow Dynasty, in dividing the governmental work into six departments namely the "Li Tien" 理典 (political affairs), "Chiao Tien" 教典 (educational). "Lee Tien" 禮典 (ritual), "Cheng Tien" 政典 (war), "Hsing Tien" 刑典 (judicial), and "Shih Tien" 事典 (works). The "Hui Tien" 會典 of the Ming and Manchu dynasties is also modelled on the "Liu Tien" in dividing the governmental work into six ministries. It further provides: "What the officials should do and obey is all provided in the outline of this Supreme Law of the Nation" (官司所守,朝野所遵,皆總括綱要併入放此項國家大經大法).

Though these early constitutions are defective in many ways in not providing for the rights of the people; for the participation of the people in the government and the laws of succession of the rulers, etc., nevertheless they do possess many of the essential points of a modern written constitution. China became a democratic country long before the western countries had any idea of democracy; and China began to have a constitution long before the western politicians had any idea of a constitution!

(2) Modern Constitutional Movements—"A Hundred Day Constitution"

The modern constitutional movements in China did not begin until China came into conflict with the Island Empire and was ignominiously vanquished, as a result of which all her weaknesses were glaringly revealed to the whole world, and the western powers commenced the ruthless scrambles for concessions and leases. The Manchu empire began to adopt reforms in 1898 under leadership of Kang Yu-kwei and the energetic sanction and direction of Emperor Kwang Hsu, generally in the realms of political and educational reforms. But these endeavors were soon nullified by the "coup d'etat" of the Empress Dowager in the same year. Thus, the first reform and constitution lasted only for a hundred days; hence they are known as "a Hundred Day Constitution" in the Chinese history.

Thereafter, despite edicts for reforms, no significant step was taken in regard to the institution of a constitutional government until the year of 1905 when the victories of Japan over Russia inspired the Chinese and Manchu Court with the belief that an Asiatic nation by the adoption of western methods and institutions was capable of attaining parity with the Western powers. Impelled by this conviction, a Constitutional Commission was despatched to Japan, America, and Europe, consisting of Duke Tsai Tse, Li Sheng-to, Shang Ki-hung, Tuan Fang, and Tai Hung-tsi to study the various systems of constitutional government and to report the findings for a constitutional system of government for China. Upon their return a memorial was submitted to the throne describing the advantages of constitutional government and urging the adoption of a constitution and convocation of a national parliament. After consideration and examination of the report an Imperial edict was issued on September 1, 1906, promising the adoption of a constitutional system of government in the near future and ordering preparations to be made for the establishment of the same.

In pursuance of this policy of systematic preparation, an edict was issued on September 20, 1907, creating the National Assembly (Tzechenyuan) as the foundation of a parliament which was to be established subsequently, when the people were ready. Another edict of October 19, 1907, followed, ordering the establishment of Provincial Assemblies to ascertain public opinion in all the provinces and to serve as nurseries for the National Assembly, and also the preparation for local self-government in prefectures, departments and districts. A subsequent edict of December 25, 1907, decreed the general constitutional principles governing the functions and operation of the National Assembly in Peking and the Provincial Assemblies.

In 1908, delegates were despatched to the capital and petitions were presented. In response, discerning the rising tide of public sentiment, on August 27, a very significant edict was promulgated, announcing the proposed principles of a constitution and a nine year program (1908-1917) of preparation.

The nine years' program of preparation embraced reforms in local self-government, education, law, courts, census, civil service, police, and budget, all intended as preparation for the constitional regime.

In pursuance of the program, twenty-two provincial Assemblies were opened on October 14, 1909. The National Assembly, the forerunner of Parliament, was convoked on October 3, 1910. Though unicameral, it consisted of the elements of two Chambers, the representatives of the privileged classes to serve as the foundation of the Upper House, and those from the Provincial Assemblies as that of the Lower House.

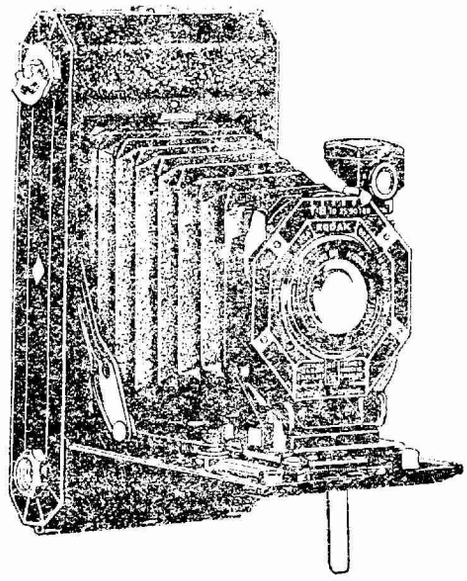
In December, 1910, in response to the popular clamor for an effective control of the reins of the government, and protection of the rights of the people against the perils of Western aggressions, some fifty delegates from the Provincial Assemblies met in Shanghai, and, after holding preliminary conferences, proceeded to Peking. They petitioned the Throne to grant an early convocation of the National Assembly, which was, however, rejected. Another endeavor was made, only to meet a like refusal.

On October 22, amidst extraordinary enthusiasm, a resolution was adopted praying the Throne to call the Parliament at an early date. At the same time, the Viceroys and Governors poured in telegrams requesting that constitutional canons be promulgated, a Parliament convoked, and a canbinet constructed. In response to the almost unanimous demand, an edict was therefore issued, on November 4, 1910, commanding that the date originally fixed for the convocation of National Parliament be altered to 1913. Consequently, the nine years' program of preparation was shortened and revised accordingly.

But the conclusion of the Hukuang Railway Loan in 1911, contrary to the expressed wishes the people, and the explosion of a bomb in Wuchang on October 10, 1911, brought about the Chinese Revolution. Under the pressure of necessity, in compliance with these demands, the Court issued four significant decrees, which marked the next great step of advance in the consitutional development. The first edict was one of renunication designed to placate the nation by a confession of faults and a renewed resolve for reforms. The second edict commanded the Imperial commissioners to draft the constitution, hand it over to the National Assembly for deliberation and consideration, and wait upon the Imperial sanction for promulgation. The third edict excluded the nobles and members of the Imperial Family from the cabinet. The fourth edict pardoned political offenders. These edicts marked the beginning of the capitulation of the Court on the consitutional question.

"Nineteen Articles"

On November 2, the National Assmbly, having set to the task of preparing a constitution, adopted the Nineteen Articles and presented them to the Court for sanction, which was granted on the following day. On November 8, Yuan Shih-kai was elected Prime Minister by the National Assembly. Subsequently in the same month Yuan Shih-kai submitted a memorandum, in which setting forth his views as to the future relationship between the Cabinet and the Throne, he stated that, excepting matters of purely Imperial Family concern and those within the jurisdiction of the Board of Astronomy and others of similar character, all purely governmental and political affairs should be under the control of the Prime Minister and his cabinet, as long as he could retain the confidence of the Parliament; that is to say, " though the Emperor might retain the outward forms and ceremomies of sovereignty the memorandum made it clear that for the future it was the prime minister that would exercise the substance of power under the constitution." To this memorandum the Court gave its assent. On November 26, the Regent. representing the Emperor, took oath to abide by the principles of the Nineteen Articles. Ten days later, on December 6, an edict was issued granting the resignation of the Prince Regent and entrusting full responsibility to the



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Prime Minister and Cabinet. This marks the end of the constitutional absolutism of the Manchus, and the beginning of the constitutional democracy of the Chinese. It is thus seen that these Nineteen Articles practically transferred the sovereign power of authority from the Imperial Court to the Parliament to be exercised through the agency of the Prime Minister and Cabinet responsible to the Parliament.

But the grant of Nineteen Articles did not appease the Chinese. The Manchu Court was compelled to abdicate—this taking place on February 12, 1912.

The First Provisional Constitution—Its Defects

The abdicating Manchu Dynasty having surrendered the supreme powers of sovereignty and vested them in the people, the transference of the sovereignty from the Emperor to the people was recorded and recognized. The Provisional Constitution was founded on the general and fundamental principle of popular sovereignty. Let us now discuss the defects of the Provisional Constitution in the light of the constitutional experiences of the past decade in China as well as those in other contemporary states, so as to contribute suggestions to the formulation of the permanent constitution which is under preparation.

First, the powers and responsibilities of the president and the premier are not clearly divided.

Second, the two Houses of the legislature are entirely too numerous and unwieldly.

Third, there is no provision for the bringing about of harmony between the executive and the legislature.

Fourth, there is no stipulation in the Provisional Constitution defining the relation between the Central Government and the provinces.

(3) Present Constitution Making Efforts

Having discussed so much about the constitutional developments in the past, we are coming to discuss the preparations which the National Government has made to draft a "Permanent Constitution" for China.

The Constitutional Drafting Committee was been established a short time ago. Sun Fo, a veteran statesman and president of the Legislative Yuan, is the chairman, and Dr. John C. H. Wu, a jurist of international reputation, and Chang Tse-po, another veteran statesman, are the two vice-chairmen. The following are the members of the Constitutional Drafting Committee:

Chen Chao-ying 陳肇英, Chiao I-tang 焦易堂, Ma Yin-chu 馬寅初, Fu Ping-hsiang 傅秉常, Wo Hsiang-ying 吳尚鷹, Hsu Yuan-ho 徐元誥, Ma Chao-tsung 馬超俊, Hsu Mei-huang 史維煥, Chen Yu-yuan 陳茹玄, Chung Tien-sen 鍾天心, Tang Chao-yin 鄧召蔭, Miss Tao Yuan 陶玄, Chen Tsung-han 程中行, Tai Su-chung 戴修駿, Wei Ting-sen 衛挺生, Liu I-feng 劉盪訓, Hsu Hsian-kwan 史尚寬, Ling Ping 林彬, Liu Kai-I 劉克儀, Wang Kang-lan 王崑崙, Tang Kung-yuan 鄧公玄, Sheng Ching-wei 盛振鎏, Chu Tseng-teh 瞿曾澤, Ting Chao-wu 丁超五, Feng Tse-Yu 馮自由, Lau Tong-sun 樓桐蓀, Hwang Yu-chung 黃右昌, Lo Ting 羅鼎, Ti Ying 狄膺, Chao Ting 趙琛, Yang Kong-teh 楊公達 Tong Chi-cheng 董其政, Miss Wang Hsueh-ying 王孝英, Fu Yu-ling 傅汝霖.

The Constitutional Drafting Committee is divided into four Divisions.

The First Division is to study the general principles of the constitution, such as the territory, sovereignty, form of the State and national flag, of the Republic.

The Second Division is to study the rights, duties and livelihood of the people.

The Third Division is to study the holding of the People's Convention; the exercise of "four powers" (election, referendum, initial and recall) by the people; relationship between the central government and local governments.

The Fourth Division is to study the system of the central government, provincial system and hsien system.

Beginning from February 23, 1933, up to May 25 1933, (12 weeks) each of the following subjects is assigned and is carefully studied by the members of the Committee and the experts attached to the Committee. These subjects are:

1. The territory, sovereignty, form of the State and national flag, of the Republic.
2. Rights of the people.
3. Duties of the people.
4. Holding of People's Convention (National Convention).
5. Equality of powers between the central and local governments.
6. The system of the central government.
7. The system of the central government (continued).
8. Provincial system.

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9. Hsien system.
10. Interpretation of the constitution and restraints against the violation of the constitution.
11. The Exercise of the "four powers" by the people: People's livelihood: People's education.
12. Military system and national accounting.

In Four Periods

The drafting of the Chinese Constitution is to be completed in four periods. In the first period, known as the Studying Period (six months, from February 2 to August 21, 1933), the Drafting Committee is to make a study of constitutional systems, to collect materials and people's opinions.

In the second period, known as Drafting Period, (three months, from August 22 to November 11, 1933), the Committee is to draft the constitution.

In the third period, known as Discussing and Studying Period (three months, from November 22 to February 21, 1934), the Committee is to study, and discuss the drafted constitution very carefully, taking into consideration public opinions which have been expressed.

In the fourth period, known as Re-Drafting Period (two months, from February 22 to April 21, 1934), the Committee is to redraft the constitution, making all necessary corrections and amendments, after taking into consideration the public opinions which have been expressed.

Sun Fo, the president of the Legislative Yuan and Chairman of the Constitutional Drafting Committee, generally known as one of the most democratic leaders in China, is quoted as having said that as soon as the first draft of the constitution is completed, the full text would be published, so that the people would have a chance to make a study of the constitution and a chance to make and offer criticisms.

General Principles Decided

As to the provisions in the Constitution relating to the territory of the Republic, there are two schools of thought. One school suggests that the Constitution should take trouble to name all the Chinese provinces and special districts together with their li-age (one li is about one-third of a mile). It is pointed out and argued that by naming all the Chinese provinces and special districts, it would have the very effect of letting the people know exactly and immediately, when they read the Chinese constitution, the territorial limits of the Chinese Republic, and "to prevent the foreign aggressor from encroaching on Chinese territories." On the other hand, another school contends that this is not necessary, pointing out that to say that the territory of the Republic consists of "various provinces and Mongolia and Tibet" (see provisional Constitution, Article One) is enough. Many hot debates took place in the meeting. But the decision of the Committee is said to be in favor of the second suggestion, but adding that the constitution should provide that "unless it has been passed by the People's Convention, there should be no change, in any way, of the Chinese territory." This is certainly one of the most significant provisions in the constitution.

The Committee has also decided that the Chinese Republic is known as "San Min Chu I Republic." The sovereignty of China is vested in the people as a whole. The national flag of the Republic shall have a red background with a "blue sky and white sun" in the upper left corner.

China's "Bill of Rights"

The next subject that we are very much interested in is the provisions in the constitution relating to the rights of the people. Many people suggest that the principles of "Habeas Corpus" should be embodied in the Chinese constitution. The Drafting Committee has prepared many new provisions in the Constitution to provide and safeguard the rights of the people, which are entirely new to all previous constitutions. These provisions are:—

1. All citizens (Kuo Min) of the Republic of China shall be equal before the law, irrespective of sex, race, religion or occupation.
2. Citizens of the Republic of China shall have the right to exercise the powers of election, referendum, initiative and recall, according to law.
3. All persons shall have physical liberty, and except in accordance with law, no person shall be arrested, tried or punished.
4. When a person is arrested or detained on a criminal charge, the organ responsible for his (or her) arrest or detention shall send him (or her) to the competent court for trial not later than 24 hours. The party concerned may himself petition or some other person may petition on his behalf that he be brought before the court for trial within 24 hours, and the court shall not refuse to do so. The organ responsible for arrest and detention of the people shall not refuse to hand over the arrested or detained persons to the competent court for trial on demand.
5. No person shall be punished because of his (or her) action unless the illegality and punishment of such an action is expressly provided in law.
6. Except in accordance with law, no person other than those in active military service, shall be subject to trial by a military court.
7. The people shall have the freedom of domicile and except in accordance with law, no private houses of the people shall be subject to forcible entry, search and sealing.
8. All persons shall have the freedom of religion.
9. All persons shall be free to change their residence: such freedom shall not be denied or restricted except in accordance with law.
10. All persons shall have the right to the privacy of correspondence and telegraphic communications: such right shall not be denied or restricted except in accordance with law.
11. All persons shall have the freedom of assembly and formation of associations: such freedom shall not be denied or restricted except in accordance with law.
12. All persons shall have the liberty of speech and publication: such liberty shall not be denied or restricted except in accordance with law.
13. Except in accordance with law, no private property shall be sealed or confiscated.
14. All persons shall have the freedom to exercise the right of ownership of property, in so faras it does not conflict with the public interests.
15. Where public policy necessitates, the property of the people may be expropriated in accordance with law, but reasonable compensation is to be paid.
16. All persons shall have the right to inherit property in accordance with law.
17. All persons shall have the right of petition (to the Government).
18. All persons shall have the right to institute judicial proceedings at the Courts of Justice, in accordance with law.
19. All persons shall have the right to submit petitions, and institute administrative proceedings.
20. All persons shall have the right to compete in civil service examinations in accordance with law.
21. Marriage, as it is the foundation for the development of a race, shall be protected by the State: Both sexes shall have the right of equality and the duty of mutual help.
22. Mothers shall have the right to receive protection and help from the State.
23. Children born not through marriage shall be protected by the State.
24. Under-age persons shall have the right to receive special protection and help from the State.
25. The governmental employees who have passed the necessary examinations shall be protected (that is, their superiors could not dismiss them at will).
26. All persons shall have the right to receieve free education.
27. The Chinese citizens resident abroad shall be protected and helped by the State.
28. Women before and after birth of children shall have the right to receive special protection in accordance with law.
29. All old-age, weak, and invalid persons shall have the right to receive special protection in accordance with law.

It is the most comprehensive and detailed statement of the rights of the people ever provided in the Chinese constitution.

Duties of the People

As to the duties of the people, the constitution provides as follows:—

1. All persons shall have the duty to be the employees of the government in accordance with law.
2. All persons shall have the duty of paying taxes in accordance with law.
3. All persons shall have the duty of performing military and labor service in accordance with law.

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4. All persons shall have the duty to be filial to their parents.
5. All persons shall have the duty to educate their children.

Problems Before the Chinese

The framers of the Chinese constitution are facing a great multitude of problems, some of them being as follows:—

1. Whether above the five Yuan, there shall be a chairman or shall the president of the Executive Yuan be the representive of the Nation? Shall China adopt the presidential or cabinet system?
2. To whom shall the Executive Yuan be responsible? The presidential system, responsible only to the people's convention? The cabinet system, responsible only to the legislature? or, other mediatory system?
3. In exercising the judicial control and examination powers, shall the principles of centralization or decentralization be applied? How shall the relationship between the central and local governments be adjusted?
4. In exercisng the four powers, namely, election, initial, referendum and recall, shall the central government make a uniform law to be enforced or will the central government only make general principles and let each province make laws suitable to its local conditions?
5. Shall the offices of the presidency of Judicial and Control Yuan as well as the judicial officers be for a life tenure?
6. What are the general principles relating to the rights of people? Shall the right be regarded as natural and the constitution be regarded as unconditional protection of the right of the people, subject to no restriction of the other laws; or are the rights of the people to be regarded as something given by the laws in exchange for some obligations, subject to the restrictions of other laws?
7. Shall China adopt the unicameral or bicameral system of legislature?
8. Shall the legislature or supreme court or some other organ which might be created by the legislature, be enpowered to interpret the constitution?
9. How shall the constitution be amended?

It is not the purpose of this article to discuss all or any of these problems. We merely name some of them so that those who are interested in these problems as well as those who have the welfare of the Chinese at heart, may make a study of them and express their opinions. The Constitutional Drafting Commitee has advertised in all Chinese newspapers soliciting the public to submit their opinions and to give them their candid advice regarding the drafting of the Chinese constitution. As ample chance is now being given to the people, they should take the opportunity to voice their opinion concerning the Chinese constitution.

We may add that China hereafter must remain a republic, but unless she has an adequate constitution to meet all possible dangers, a republic for the next few decades could hardly be expected to be very successful. During the past 40 years, though the constitutional movements have already been on foot, no workable constitution has yet resulted. During the years of the Republic, though several modern forms of constitutions were drafted and promulugated, yet some of them are illegal and some of them are too inadequate to meet the needs of the time. The present Constitutional Drafting Committee deserves our admiration in so carefully preparing the constitution for China. It is our hope that all Chinese as well as China's well-wishers will do their part to help the Committee to accomplish this stupendous work with great success.

Nanking, March 25, 1933.

Chinese Cabinet System May Be Established

Generals Chiang Kai-shek, Chu Pei-teh, Ho Yao-chu, Li Lieh-chun, Admiral Chen Shao-kwan, Messrs. Wang Ching-wei, Ku Meng-yu, Chen Kung-po, Sun Fo and others attended a conference at Nanking March 27. It was decided at the conference that the Executive Yuan should shortly issue a statement announcing the policy of the Government towards all outstanding national issues including the Sino-Japanese situation, and that a responsible cabinet system should be formally introduced.

Should We Open Direct Negotiations With the Japanese?

BY PAUL K. WHANG (王仲芳)

IN the wake of the Jehol debacle, many of the foreign writers who have posed as friends of China have freely suggested in their writings that inasmuch as China can not offer any semblance of resistance against the Japanese onslaughts as testified to by the defenders of Jehol, China should immediately settle her differences with Japan through direct negotiations, before it is too late to save Tientsin and Peiping from following in the footsteps of Manchuria and Jehol. They have also argued that had China, instead of seeking assistance from the League of Nations, accepted the Japanese offer of opening direct negotiations at the outset of the Manchurian embroglio, "Manchukuo" would have never come into existence, and Shanghai would have never passed through such a sad experience as it did in the spring of 1932.

Direct negotiation, as a means of settling the Sino-Japanese dispute, is not a new idea. Right after the fateful night of Sept. 18, 1931, the Japanese delegates at Geneva insisted that the differences between the Chinese and Japanese should be settled by them directly without the intervention of any third party. Likewise, many foreign statesmen and writers in their speeches and writings advocated that the Manchurian problem was too delicate and complicated for any Western Powers to grasp its full significance, and therefore the means of its settlement should be left in the hands of those directly concerned. Even a few Chinese people, who either had no faith in the capability of the League of Nations to check the Japanese imperialistic designs, or entertained the fear that their commercial interests would be jeopardized if a state of undeclared war should continue on indefinitely, suggested secretly if not openly that since China was not in a position either militarily or financially to wage a modern war against Japan, it had no alternative but to accept the Japanese offer and to make the best of a very bad bargain.

China Has the Moral Victory

Notwithstanding the Japanese offer, the advices of foreign statesmen and writers, and the secret wish of a small number of Chinese people, the Chinese government, in deference to the will of the majority of its people, chose to place its case with the League of Nations, and has since adhered to that policy steadfastly and firmly. Whether the Chinese government and its people have been wise in making this choice may be open to question, if the rapid developments of the past nineteen months are taken into consideration; but so far as the moral aspect of the problem is concerned, China has scored a clear victory, and Japan, being found guilty by the international verdict, has to sever her relations with the League as a last resort. This moral victory, though it can not help China to recover the lost provinces, has at least clearly established the right and wrong of the case to the satisfaction of the Chinese people.

Thus in the course of the past year and a half, direct negotiations has been persistently advocated by the Japanese and urged by many of the foreign statesmen and writers. Since the Japanese occupation of Jehol, rumors have been rife alleging that the date of opening negotiations between the Chinese and Japanese is not far off. Whether there is any truth in these rumors, we can not tell; but it is certain that a secret movement possibly initiated by the Japanese and supported by certain foreign interests has been under way to induce the Chinese government to change its present attitude towards the Manchurian problem.

On the part of the Japanese, they are now badly in need of a breathing space so as to consolidate their gains and recover themselves from the present financial exhaustion. Although they have successfully snatched four provinces from their weak neighbor without meeting much resistance, the military cost of their conquest, however, has proved too heavy for the little Island Empire to bear. The mere fact that the current Japanese budget has reached the staggering figure of Yen 2,339,000,000, the first of the kind in Japanese history, will convince the Japanese militarists that they have to call a halt to their continental policy before their country will be overwhelmed by the financial storm.

This financial crisis has necessitated the Japanese government to be content with the present gains and to seek the best way out of the present entanglement. Thus on the one hand, the Japanese have brought pressure upon the Chinese government by making war gestures in North China, and on the other hand, they have sent their politicians to China to pave the way for future negotiations by private talks with influential Chinese. For the latter purpose, Kenkichi Yoshizawa, former Japanese foreign minister, has already been sent to China. What the Japanese are now aiming at is to have their illegal gains legalized by the Chinese government, so that they can raise money in foreign money markets to tide over their present financial crisis and to secure the means with which to consummate their continental policy in future.

On the part of a certain foreign Power, they have also had their reason to see the early settlement of the Sino-Japanese dispute. In Geneva, besides the adoption of the report of the Committee of Nineteen, the League of Nations is not in a mood to apply sanctions, either diplomatic or economical, as provided under Article XVI. Therefore the Western Powers are literally at their wit's end, and will welcome the first opportunity to wash their hands off this very ticklish problem. In China, the extension of Japanese invasion into North China will jeopardize the commercial interests of foreign Powers, especially Great Britain. Thus for the sake of saving the League of Nations from further predicament and safeguarding their commercial interests in North China, many of the foreign Powers are willing to play into the Japanese hands.

But what benefit can China derive from opening direct negotiations at the present time, when much milk has already been spilt? How can we afford to let our enemy off with four of our rich provinces tucked in his pocket, when financially he is on the verge of bankruptcy? Why should we give a breathing space to our enemy so that he can recover himself and be in a position to devour us in future? It is no matter whether we can put up any effective resistance against further Japanese invasion or not; but if we can only stage an everlasting struggle, our enemy will sooner or later have his back broken by the ever increasing financial burden.

Direct Negotiation Would Be Inconsistent

Moreover, since we turned down the Japanese at the very beginning and placed our confidence in the League of Nations, why should we shake hands with the Japanese at the present time when the League has already upheld our cause. True, the League can not help us in checking further Japanese invasion and recovering our lost territories, but to desert the League and to negotiate with a country which has been condemned by it will bespeak our inconsistency and ingratitude. Therefore, rightly or wrongly, irrespective of the future consequences and possibilities, we must stick to our policy which we have pursued heretofore.

No material considerations or fear of invasion in North China should change our stand and induce us to surrender to the Japanese, because direct negotiation is only a sugar-coated term for surrender. With the Japanese recognition of "Manchukuo" and their refusal to countenance any Chinese sovereignty over Manchuria, what is the use of negotiating with the Japanese, when they want to take everything and have nothing to give? Thus Eugene Chen, former minister of foreign affairs at Nanking, has hit the nail on its head by saying, "It is clear that direct negotiations initiated on this basis (Chinese recognition of "Manchukuo") would be tantamount to abject surrender on the part of China and, necessarily, would involve the legalization of Japan's deeds of violence on Chinese soil as well as a base desertion of the League of Nations and of America." Even Marshal Tuan Chi-jui, who has been reported as being in favor of direct negotiations, declared a few weeks ago that China should not open direct negotiations with Japan, unless Japan first returned Manchuria to China.

The majority of our people are fully aware of the realities of the situation, and therefore they have vehemently voiced their objections to direct negotiations, and are ready to overthrow any government which dares to ignore the public wish and assents to "this act of infamy." The Nanking government has already been subject to severe criticisms because of its ineffective resistance, and the dissatisfied politicians in North and South China have been ever ready to seek a good pretense to concoct its downfall. Under this condition, it is exceedingly doubtful that the Nanking government, in spite of the inducement of the Japanese government and the urge of a certain foreign Power, will totally disregard the public sentiment and compromise with the Japanese at the present time.

We have already spent a huge sum in upholding our case at Geneva, and we have also sustained an inestimable loss resulting from the Japanese invasion of Manchuria and Shanghai. We are prepared to make a even greater sacrifice, if we can save ourselves from such a disgrace as to surrender abjectly to the Japanese. Let us put up an everlasting struggle if not resistance, and see whether the victory of this race of endurance will go to Japan or to China.

Shanghai, March 31, 1933.

Preparations Being Made for National Congress

A circular order has been issued by the Central Party Headquarters to the various Provincial, Municipal and District Party Headquarters throughout the country instructing that preparations be immediately started for the election of delegates to the forthcoming extraordinary or emergency session of the National Congress of Party delegates which is due to be convened on July 1 this year. In an interview, Wang Ching-wei reiterated the fact that the main task of the forthcoming emergency National Party Congress would be to discuss and decide upon the question whether the National People's Assembly (*Kuo-Min-Tsan-Cheng-Hui*) should be convened on October 10 1933; and if not, whether the National People's Congress (*Kuo-Min-Ta-Hui*) should be convened at an earlier date.

Proposed Political Reform

A *Kuo Min* message from Nanking March 31 stated that a proposal for political reform which had been submitted by General Li Lieh-chun provided among other things that political parties other than the Kuomintang should be allowed to exist and to participate in the work of government. What General Li suggests is in effect a Coalition Government—a "Government of all the Talents"—composed of various parties, though it is provided that the Government should have as its main object the realization of the Constitutional Period as propounded by the late Dr. Sun Yat-sen. Another important suggestion is that the Chairman of the various Provinces and the District Magistrates shall be elected directly by the people, instead of being appointed by the Central Government.

The proposal recommends the shortening of the Period of Political Tutelage and early inauguration of Constitutional Government in order to avoid political dissension and ensure a united national front against foreign aggression.

Wang Ching-wei Resumes Duties

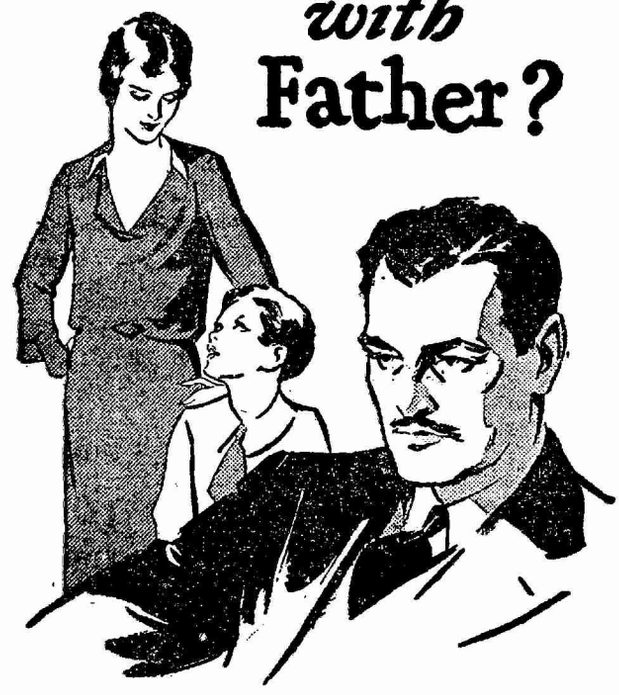
Wang Ching-wei resumed his duties as President of the Executive Yuan March 30. Mr. Wang's first act, upon resumption of his duties, was to despatch a telegram to T. V. Soong, Vice-President of the Yuan, expressing his indebtedness to the latter for having acted in his place during his leave of absence.

Wang Ching-wei, declared in an interview March 31 that although he had always advocated resistance simultaneously with diplomatic negotiations, he was now convinced however that negotiations would be impossible at the present moment, as the Japanese have torn to pieces the League Covenant and other international peace treaties.

Sun Fo Explains Aims of Congress

Regarding the significance of the convocation of the National People's Congress, President Sun Fo in an interview pointed out that its main task would be to adopt a permanent Constitution and thereby inaugurate Constitutional Government and put an end to the present Kuomintang regime. The convocation of the People's Congress would thus mean the shortening of the political tutelage period and reversion of the political powers to the people.

What's the matter *with* Father?



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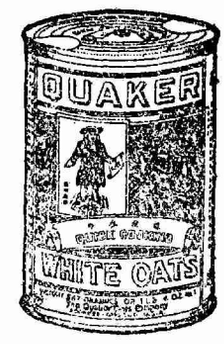

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Will Japan Attempt Further Conquests?

(From The Review's North Manchuria Correspondent)

A YEAR and half have elapsed since the Japanese first attacked the Chinese troops at Mukden. For a year and a half the Chinese patriots in Manchuria struggled defending their country against the invaders. Though almost barehanded, as compared to the Japanese troops equipped with all the types of modern machines of war, the Chinese have fought with great intrepidity. We hardly need say that China still remains in many respects a peculiar country. And its peculiarity has also been reflected in the Manchurian case. In what other country today would it be admissible that while 30,000,000 of the people inhabiting the vast and fruitful Three Eastern Provinces of China form an army of 200,000 soldiers, (according to the Japanese sources), and fight for a year and half in self-defence against the Japanese, yet hardly a finger is stirred by the rest of the nation to come to rescue the land. After exhausting all the means at their disposal some part of the Chinese troops of the Three Eastern Provinces, pursued by the merciless enemies, crossed the Sino-Soviet border to find refuge in the U. S. S. R. territory; a part of them, seeing no support coming from any quarter, surrendered; and a part of the troops still continue their anti-Japanese war activities. The latest reports say that several hamlets and towns on the lower reaches of the Sungari river have been occupied by Chinese troops. Mishan and Hulin, two large centers in the east of the country, are reported to have been brough under Chinese control. Japanese troops are being despatched hurriedly to the Mulin colliery, the garrison of which place is counted not strong enough to hold out in case of attack on the part of the Chinese troops operating in the neighorhood of the place. A strong detachment of Chinese forces operating in the regions around Tunhsinshian fought recently a two days' bloody battle with a Japanese detachment and then withdrew to Soviet territory, where they were disarmed and interned by the Soviet authorities there.

"Bandits" Not Yet Suppressed

When the Japanese troops occupied all the places along the C.E.R. including Manchuli and Pogranichnaya, the west and east terminus stations of the railway respectively, a prominent military official in Harbin said in an interview with pressmen that the Chinese armies, or the bandits as the Japanese call them, had been completely routed and the movement put an end to. We think he was vastly mistaken. For the Chinese troops in Manchuria, encouraged by the reports of the determination of the Chinese generals to join their forces for recovering the lost territory, by the news from Geneva of the decision of the League against Japan, and by reports of the events in Jehol, are apparently planning to continue their struggle with unabated vigor and energy, so far as may be judged from the fighting that recently took place in several places.

This struggle on the part of the Chinese is, however, considered by the Japanese as futile and incapable of preventing the Japanese from becoming the masters of the whole country, unless some outside force interferes with their actions in Manchuria. For a year and-a-half Japan has been neglecting the provisions of the international treaties and defying the authority of the League of Nations. She has been taking possession of Manchuria and disintegrating China with impunity. It may be supposed that if she is further left alone with her encroachments in Manchuria, she may be tempted to proceed with her agression from one province of China to another till she gets all the peoples and races of Eastern Asia unified under her sovereignity. And she may yield to this temptation. For, having taken possession of Manchuria with impunity, she may well think that she will be suffered on the part of the rest of the world to go on, with the same impunity, putting through the rest of her plan, till she achieves it to the extent when it will be too late for any one to interfere to check her. The existing situation in Western Europe with the questions of the Polish Corridor, with the intricacies and animosity in the relations between Italy and France, with the sentiments of the minor States, and with Germany threatening all the time to turn into a center of revolution or war or both, all may be very encouraging to Japan in her aggressive actions on the Asiatic continent. As regards the resolution of the Chinese Government and the Governors of the Chinese provinces to form a common front against Japan, it may be regarded by the latter as mere high sounding words. The Governors of the provinces may be replaced by whomsoever the Japanese may wish in the same way as the Governors of the Three Eastern Provinces have been. The Chinese masses are the most peaceful folk in the world. Unorganized in any way, the Chinese populace seem to be entirely indifferent to who rules over them. It appears that in the understanding of the Chinese masses the government, exists only for levying taxes. And, after paying the tax, the averag-Chinese thinks that all his relationship with the governe ment has come to an end till the time when the tax should be paid again. And they are indifferent as to who levies the taxes upon them, since it has to be paid regardless of type or style of the government. It is said that the well-remembered Dr. Badmaieff reckoned much upon this feature of the Chinese social character when displaying to the late Russian Emperor his plan of conquering China, or at least the Northern part of it, and of forming a Yellow Russia. And it may be supposed that the Japanese reckon upon the same feature of character of the Chinese masses too, in their plans to attain eventual control over the whole of China. They may be inclined to think that in their attempt at realizing their conquest plan they will be opposed only by the insignificant minority of Chinese intelligentsia and the generals whose power rests only upon the mercenary soldiers drawn from the riff-raff elements, but not upon the masses who remain inert and uconcerned regarding political changes in the country. Which is, of course, not the case with Japan, where the whole nation, (men and women) an organized entity, works, and exerts its utmost to put through the conquest plan devised by the Government. There was an instance when a wife committed suicide lest she should be in any way a drag upon her husband, lest his thoughts and cares of her should trouble him in his service to the country on the battlefields of Manchuria. On another occasion a girl threw herself upon the rails and got run over by the locomotive hauling a train of Japanese soldiers departing for the Manchurian battle front. She did so with the sole purpose of setting them an example that death is not to be feared.

Japanese "at Home" in Manchuria

In spite of the resolution carried out at Geneva, the Japanese continue to feel themselves quite at home in Manchuria. And it would be entirely wrong to think that they will leave the country without being effectively forced to do so. They appear to be willing to wage a war rather than evacuate Manchuria. The number of the Japanese residents in Harbin and other centers in Manchuria is on a steady increase, Japanese immigrants coming and settling in the country. While business organizations of other nations are wary of making new investments, because of the unstable political situation, the Japanese never hesitate to invest, liberally, not only in the existing enterprises so as to widen them, but also opening new industrial and commercial organizations. The ship-building yards of the well-known Czecho-Slovakian firm of Skoda has been bought by a big Japanese concern, which is said to be investing 1,500,000 yen in the business with a view to its further developing and monopolizing the ship-business in the country. According to reports from Hsinking, the Government has taken control of the Hokan Coal Mines and the Central Manchurian Bank, investing $500,000 in the enterprise. It is understood that the Ministry of Trade and Industry will make the enterprise a limited corporation and issue shares, a large lot of which are supposed to go into the hands of Japanese stockholders. The Huoshihlin Coal Mine, located at a place on the Kirin-Changchun Railway, is reported to be reorganized by the owner from a sole proprietorship, as it was hitherto, into a joint stock company. Japanese capital is understood to be invested, and Japanese engineers to conduct the business have been invited. In Harbin Japanese business enterprises rapidly grow in number. A large export-import organization was recently opened. A large hotel with a first class restaurant attached to it has just been opened in one of the thoroughfares of the city. Several small hotels and tea-houses have opened, the personnel of which as well as of the above-said hotel and restaurant have been brought from Japan. Immovable property is purchased by Japanese nationals. Recently a large house in the very center of the city in which a person under the protection of the French consul in Harbin, has been interested, was levied upon at the instance of a big Japanese concern and was on the point of going into the hands of said concern when the French Consul interfered, with the result that the house has been under the French seal ever since the time of the arising of the dispute between the parties, and is likely to remain under seal for an indefinite time, much to the loss of both of the litigants. Kokusai Unio, a big Japanese transporting agency, plans to run motor buses on the streets of Harbin with fares lower than those existing now—which may mean losing of the business by many Russian and Chinese bus owners.

Mukden, March 20, 1933.

64-254

Canton's New Military Airdrome

(By the Review's Correspondent at Canton)

HAVING recently reached a decision to discard all previous methods of training air pilots, the Cantonese authorities are now energetically establishing their new system based entirely on principles followed by the U. S. Army at Kelly Field, in Texas. Canton's widely advertised new military airdrome and flying school are rapidly being pushed to completion, and the closely guarded premises are a scene of busy activity.

Shau Gan Ling, as the new field is called, is the result in South China of the great intensification of interest in aviation which has swept over the whole country since the Sino-Japanese conflict at Shanghai in February 1932. A splendid property, it is located just outside the city, with a beautifully levelled landing field surrounded by barracks, dormitories, dining halls, a library, classrooms, lecture halls, etc., all modern buildings contructed within the past year. Two hundred pilots are commanded from this field, and 160 cadets are in training here, a remarkable development to have taken place largely within a few months.

In a recent visit to the flying field, your correspondent was met by General Lim Fu-yen, chief-of-staff and acting commander there. Born in New York, General Lim was educated in schools of that city, and learned to fly under the instruction of Glen Curtis. He was one of the earliest American aviators and still has his American pilot's license, which bears the number 234.

Years of military adventuring with half a dozen different Chinese governments finds General Lim at last back in Canton, home of his ancestors, building up a modern air force. He regards it as the ultimate solution to China's chronic domestic wars and—he says, "only incidentally"—as a weapon of defense against Japan. General Lim is largely responsible for the establishments of Shau Gau Ling, for under his persuasion General Chen Chi-tang, commander-in-chief of the Cantonese army, appropriated the thousands annually necessary to support it.

"We now have about 90 planes here," Gen. Lim told the writer during a tour of the field and its new hangars. "We have nearly 150 pilots, and at present 160 cadets are receiving training. Thirty instructors altogether, including three Europeans. Ten more—Americans—will soon be added to the faculty. Students will eventually number about 250."

The training course is of two years duration, at the end of which the pilot receives his commission. Rigid physical examinations are enforced; candidates for the school must be middle school or college graduates; only the pick of Chinese youth is enrolled at Shau Gau Ling. They are given training on pursuit ships, combat planes, bombers and observation. Three machines to a flight, 12 to a squadron: formation flying is necessarily limited, as operations are exceedingly costly. To keep one two-seater American combat plane aloft for one hour costs $130, Canton money, according to Gen. Lim.

Cadets receive only $30, Canton currency, monthly. They wear smart American-style uniforms, however, furnished by the government. Both pilots and students are fed on meat and rice rather than the vegetarian diet ordinarily given the common Chinese soldier. Meat was one of the things General Lim insisted should be regulation. "A man can't fight like a tiger on the diet of a rabbit," he explained.

"What about Japanese spies?" the writer asked. "Isn't the Japanese army keenly interested in what is happening here?"

General Lim frowned. "It's getting nearly impossible for us to tell Japanese from Chinese now. Why, do you know there is a Japanese spy school in Shanghai, where Japanese boys are taught from early years to act, think and talk like Chinese? They learn to speak every dialect perfectly, so that no Chinese could detect them."

But Gen. Lim said they had one way of detecting Japanese in the espionage service. "When we examine men for the service," he ended, "we take a careful look at their big toes. That sounds funny, eh? It isn't. For that big toe is often the only way of telling a Chinese from a Japanese. The Japanese big toe is always larger and spread wide apart from the second toe. That comes from wearing 'geta,' the Japanese wooden sandal."

Which reminded one of a tale told in Tokyo, how the Japanese espionage service is now choosing its candidates as infants, and putting foreign shoes on them from the time they walk.

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64-255

War or Surrender?

BY DAISY YOUNG

WHAT has never happened or will not happen in other parts of the world has happened in this country. Never in the world history has there been another country whose territory is occupied by an alien invader without causing the aggressor to pay an appropriate price nor can a general in any other country be at large without receiving capital punishment when he has lost the territory of his country to an alien invader without putting up any semblance of resistance. What is more astonishing to outsiders and more disgraceful to our nation is that while city after city and province after province have been seized by our enemy and thousands of thousands of our brethren have been innocently and cruelly killed by our enemy, our compatriots are still buying their goods!

Following the seizure of the Three Eastern Provinces the mad Nipponese militarists invaded Jehol under the pretext that they were assisting their self-made puppet state Manchukuo to clear out the "undersirables" under the "Japan Manchukuo Protocol." Now Jehol has been lost—lost not because of the superiority of the enemy's fighting power but because of the treachery, treason and corruption of the militarists upon whom depended the protection of that province. When the armed brethren of the 29th Army have shown and are still showing to the Nipponese militarists what they can do with their medieval but rather effective weapons—big swords—at Hsifengkow, the question "War or Surrender?" is being extensively discussed in the country.

As in anything else, there are two prevailing schools of thought in this country as regards the Japanese invasion, one, a minority group mostly composed of those whose interests might be prejudiced by a continuance of armed resistance favoring peace on Japan's terms and the other favoring a continuance of the struggle. The former group maintains that, while Japan is so superior to us in armament, it is fruitless for us to continue to resist imperialist Japan by force of arms and that the best China can do at present is to surrender to Japan and to wait for a better day to recover all her lost territories from her aggressive neighbor. This argument seems plausible but is by no means practicable. First of all, will greedy Japan rest content with what she has already wrested from China—the Three Eastern Provinces and Jehol? As a temporary expedient, she may sign a treaty with China even in the face of the whole world that she will not further invade China's territory, but judging from her past events, who can guarantee that she will not break her promise again? To subtle and militant Japan, promise is one thing and fulfilment thereof is another.

Excuses for Further Invasion

Knowing that the leading powers in the world are too much occupied with their own affairs or are too deeply entangled in European politics, the mad Nipponese militarists will grasp the present opportunity to further their continental policy as vividly outlined in the famous Tanaka Memorial of 1927. The occupation of Manchuria and Jehol is only a beginning of their conquest of Asia. For some reason or other, they may pause for a while but when they deem it opportune again, they will find other excuses for invading Charhar and Suiyuan. After occupation of these two frontier provinces, they will extend their military operations into North China under the pretext that the "bandits" in these regions must be cleared because their presence is a menace to the safety of their self-made puppet state Manchukuo. That Japan's ambition is confined not only to Manchuria and Jehol alone may be proved by the fact that Charhar, Suiyuan and Shantung are also included in a map on the body of a Japanese officer recently taken prisoner at Hsifengkow by the troops under the command of General Sun Cheh Yuan.

Some people say that in view of the poor equipment of the Chinese soldiers it is better for China to surrender to her conqueror for the time being. As I have said before, the mad Nipponese militarists will never content themselves with the occupation of Manchuria and Jehol. They will push on their advance until the whole country is occupied. In that event, we shall have become their colonial subjects just like Koreans, without any possibility to recover independence. All people who favor peace on Japan's terms are arguing that, even if China be conquered by Japan, the latter would be defeated at last by the former as in the case of the Yuan and Chin dynasties. These pacifists have never troubled themselves to think that the present conditions are quite different from those which existed at those times. Moreover, the Nipponese are a very clever and cruel race, never hesitating to adopt whatever high handed policy necessary to rule their colonists and suppress any independence mopement, just as they have done to Koreans and Formosans. Once conquered by the Nipponese, no people can rise up again.

In view of the reasons enumerated above, the majority of people possessing farsightedness are demanding a continuance of armed resistance against Japanese aggression on the part of the Goverment. Despite the repeated announcement of the Government that it will under no circumstances whatever change her fixed policy of resisting Japan's invasion by force of arms, the people are still doubting the sincerity of the Government. It is therefore no wonder that in case the rumor that the Government has reached some "secret understanding" with Japan regarding Manchuria should prove a reality, the country will be unfortunately but inevitably plunged into another civil war, resulting in the conquest of the whole country by Japan without bloodshed and expense. It is certain that whoever attempts to follow in the footsteps of the late Marquis Li Hung Chang 李鴻章 will be cursed by the nation and must be overthrown.

Furthermore, if we sign a treaty with Japan recognizing her control of Manchuria and Jehol, Japan would then go to Geneva and dumbfound the League. This would prove her contention that Japan was right and the rest of the world wrong on the whole issue. In that event, we shall be condemned and cursed not only by our posterity but also by the whole world.

Continue to Resist!

Therefore it will be seen from the foregoing that the only course China can pursue now is to continue to resist Japan by force of arms. But then what should be done? Firstly, the Government should immediately Wall to fight a life and death struggle with our enemy. muster all crack troops of the country along the Great Let the Japanese militarists create disturbances anywhere in the interior, but our troops along the Great Wall should not only check the invader from advancing further but also should drive them out of Manchuria. We must not be discouraged by the statement made by G. B. Shaw that muscles and individual prowess count for little in modern warfare. Despite the Japanese airplanes, tanks and what not, the troops of the 29th Army at Hsifengkow have taught the Japanese militarists that not all Chinese soldiers are bad fighters. If our militarists know that it is their duty and honor to die in the battle ground in defense of their country, it is certain that the Japanese militarists will realize sooner or later that not every Chinese military commander is like Marshal Chang Hsueh Liang or General Tang Yu Lin.

Secondly, the Government leaders should show to the people that they are really serving the country in their interests; not for personal aggrandizement. This should be done by action not by mere empty words. In the opinion of the writer, our Government leaders should take Mr. Ganhdi as a good example. However, by saying this, the writer does not mean that we should adopt his policy of non-resistance. What the writer wishes is that we should imitate Mr. Gandhi's self-denying patriotism and simple life. While he lives in a poor house and dresses just like an ordinary Indian, he is still holding the highest respect of the world.

Thirdly, the merchants should refrain from further dealing in Japanese goods. Let us tell them that there would be no liberty, enjoyment and happiness under Japanese control. We also must make them realize that the Japanese use the money they have gained from China to purchase armaments to kill their own brethren. If they insist on dealing in Japanese goods, they are helping to kill their compatriots.

Lastly, all classes should be united and stand firmly behind the Government in the present crisis. Everybody should do all he can to assist the Government to drive out the wolves from our homes.

Tsinanfu, March 26, 1933.

Pan-American Acquires 45 Percent Interest in China National Aviation Co.

The Pan-American Airways Corporation announced in New York, March 31 that it had acquired 45 per cent of the stock in the China National Aviation Corporation. This move follows an announcement last December that two airplanes of an entirely new type had been ordered and that the craft would be capable of carrying on trans-Pacific and trans-Atlantic services . Company experts said that the planes would be smaller than the German D-OX but larger than the Sikorsky clippers that are now being used.

It is intimated that the Pan-American Airways Company now has the right to participate in the plan for the improvement of national airways in China, in concert with the National Government. It is predicted that in the near future there will be inaugurated a commercial air route across the Pacific by way of Alaska, the Bering Sea and Siberia—the route which was taken by Colonel Lindbergh in his historic trans-Pacific flight over a year ago.

Pan-American Director Now in China

Harold M. Bixby, a director of the Pan-American Airways arrived in Shanghai recently and will remain in China for about half a year to further the interests of the joint projects of the China National Airways and Pan-American Airways. Mr. Bixby was former president of the St. Louis (Missouri) Chamber of Commerce and organized the group that financed Colonel Lindbergh's historic solo flight from New York to Paris in 1927. Today Mr. Bixby and Colonel Lindbergh are both associated with the Pan-American Airways. Mr. Bixby in an interview stated that expansion of air service within China was contemplated, but he said he was not yet prepared to make any definite statement of plans.

French Garrison Drives Off "Enemy" With Tanks in Mimic Warfare

The French garrison in Shanghai held maneuvers in the neighborhood of Nanyang College on the afternoon of April 1. Armored cars and tanks took part. Blank cartridges were used in the mimic warfare which was based on the idea that "enemy" troops had invaded the French Concession from the vicinity of Columbia Road between Great Western Road and Jordan Avenue, had crossed Avenue Haig and penetrated into the Concession on both sides of Route Camille Lorioz to a depth of 500 metres.

Here the two companies of Colonial Infantry who had been rushed to the spot, had managed to check the advance, but could not drive the invaders back, because of their three machine gun nests, as well as several light automatics.

In consequence a call was made for the assistance of tanks, and it was with the arrival of the tanks that the "battle" was eventually made a victory.

Major Colonna was in command of the French troops. Several U. S. Marine Corps officers were present to witness the demonstration.

Two Chinese Officials Punished for Transaction in Nanking Land

A land deal concluded some years ago in Nanking, involving a Japanese by the name of Risuke Sudo, had its aftermath in Nanking when the Committee for the Disciplinary Punishment of Civil Servants reprimanded two retired officials, Wu Chih-lien, former secretary of the Judicial Yuan and Yu Shun-chien, former land commissioner in the Municipality of Nanking, and deprived them of the right to hold office for eight years. Wu was found guilty of "conduct unbecoming to government officials" and Yu of "unusual neglect of duty."

Through Airmail Service to Europe Is Promised

The Eurasia Air Corporation promises through Asia-Europe airmail service early next month. Arrangements are said to have been completed between the aviation concerns with the Soviet Russian authorities to connect the former's Shanghai-Tihwa line at Tachang, Singkiang border city, with the airline operating to Moscow. From Moscow, mail matters will be relayed to Berlin via the Deruluft service, a joint German-Russian concern.

"The Seaboard Route to the North"

Travel on The

Peping-Liaoning Line

Starting at Peping, the ex-capital of China, called the most interesting city in Asia, with its intricate systems of walls, its Imperial palaces and its beautiful temples and tombs the Peping-Liaoning Line goes down to Tientsin, the great port of Chihli, and from there swings in a wide circle on its pathway to the north. From Lanchow to Chinchow the railway follows the line of the Gulf of Chihli, passing through Shanhaikwan, where the Great Wall ends at the sea, and thence on to Mukden, the ancestral home of the Manchus, a city which vies with Peping in its splendor of palaces and temples and ancient shrines.

Through tickets are issued and passenger's baggage registered through between the important stations on the Peping-Liaoning Railway and the South Manchuria, Chosen (Korean) and Imperial Japanese Government Railways. At Peiping connections can be made with the Peping-Hankow Railway and with the Peping-Suiyuan Railway and at Tientsin connections can be made with the Tientsin-Pukow Railway, for Tsinanfu, Nanking and Shanghai.

For information as to rates, schedules, accommodations, etc. apply to any Tourist Bureau, or communicate directly with the Superintendent of Transportation.

IMPORTANT NOTICE

Owing to the Japanese occupation of Manchuria, tickets are only sold to Shanhaikwan where the Peping-Liaoning Railway crosses the Great Wall. The Chinese Government Railways assume no responsibility for transportation or safety of passengers beyond Shanhaikwan.

Peping-Liaoning Railway

Head Office

TIENTSIN

An Advertisement of the Chinese Government Railways

No. 2

64-257

Chiao-Tung Celebrates 37th Anniversary

BY TRYPHON KU

Celebrating the 37th anniversary of its establishment and the 6th year of the founding of the National Goverment, the Chiao-Tung University, recognized as the largest and best-equipped institution of engineering and technology in China, has been holding a grand Engineering and Railway Exhibition at the University Campus on Avenue Haig during the past ten days, beginning from March 30 and ending today, April 8. Coincident with the Exhibition, was the opening ceremony of two newly-completed university buildings: the Engineering Hall and the Yung Wing Hall and of the Ferguson Field. Dr. J. Usang Ly, President of the University, opened the Exhibition with a speech in which he explained the objects of the university event. In brief, he said that the purpose of the Exhibition was two-fold: to promote industrial education among the Chinese people and to arouse national interest in the ever-raging "Commercial War" by fostering industrial and commercial development. As for the students of the University, he said, the Exhibition would be of immense value, giving them the opportunity to see in practice what they had learned in theory. Dr. Ly pointed out that this Exhibition was the third in the history of the Uuiversity. At the first, the exhibitors were all foreign firms. At the second, few Chinese firms were represented and at this, more Chinese exhibits are on display. He expressed the hope that at a future exhibition, Chinese exhibitors would outnumber the foreign participants, thus testifying to the progress of the country in industry and science which China would make from now onward.

The Exhibition is divided into four sections, each held under a separate building and comprising under the heads of Engineering, Railway, Roads and City and Uuiversity Exhibits. In addition to the four buildings, several booths have been erected to house the more bulky exhibits. The Engineering Exhibition is housed at the Engineering Hall, construction of which just completed costed $500,000 and which will be turned into laboratories and classrooms at the close of the exhibition. Altogether 240 Chinese and foreign firms are represented, of which there are 33 British, 28 German, 14 American, 26 Belgian, 14 Swiss, 7 French, 4 Italian, 3 Canadian, 4 others of unidentified nationalities and the rest Chinese.

The exhibits consist mainly of machinery of various kinds for industrial and communication purposes. The things that are most noticeable are a model steam-piledriver, a model steam locomotive, motor cars, trucks, motor-cycles which are exhibited mainly by the Messrs. Malcolm & Co., the Ford Company and Messrs. Dodwell & Co. A number of linotype machines is on show by the Linotype and Machinery, Ltd. Messrs. Arnhold & Co., are showing some fine models of steam turbine electric motors, dynambes, etc. Samples of drill metal, high-speed twist drills, cutlery and railway metal are the exhibits of Messrs. Thos. Ward, Ltd. The German Otis Elevators Company operates a miniature model electric lift on the Exhibition. A 850 h.p. vee-twelve aero-engine, a model aeroplane, parts and accessories of aero-plane fittings together with a large number of photographs of aeroplanes flying in formation are on display on the Fiat stand. Other companies represented are the Shanghai Power Company with its paraphernalia of cooking equipment, the Great Northern Telegraph Company with a complete set of transmitting and receiving appratus, the Callender's Co., with its electric clocks, loud speakers and parts of cables, the Socony Company with a large 75 KVA electric generator, Messrs. Siemssen & Co., with their cinema equippment, elcteric motors and intruments, etc.

Among the large number of Chinese exhibits, two things are particularly inviting attention: the motor-truck constructed by the Ming Sheng Industrial Works of Marshal Chang Hsueh-liang's Arsenal in Mukden and a two-seat airplane built by the Naval Air Establishment of the Ministry of Navy at Shanghai. The truck on view has the distinction of being the first all-China-made in machine, body and other parts and it stands as a symbol of one good work of the retired young Marshal. Although apparently having not been used, the truck appears to have been well-designed and strong-built. The good work of converting arsenals into industrial works in the Three Eastern Provinces was abruptly put to an end by the Japanese armed invasion. This lone truck, instead of being a fore-runner, is now standing on the Exhibition grounds as a relic of the good old days. The airplane is a training machine and according to the officers in charge, has been in active service for a long time. Except the propeller and the engine which were imported from the United States, the wings and the body were all made of Chinese material and built by Chinese workers in Shanghai. The exhibit is a good testimony of what Chinese can produce and deserves commendation and encouragement.

The Exhibition has been featured with a comprehensive programme of events for the entertainment of the visitors, including drama, lectures, concerts, cinema shows, sporting events, Chinese boxing, fireworks, lantern parade, etc. Of much academic interest and educational value was the conference of experts which was attended by a number of well-known specialists in various fields, besides the professors of the University and at which treatises on industrial, economic, scientific topics were read and discussed. During the Exhibition, thousands of people visited the fair and many prominent government leaders spoke on the occasion, the speakers including Dr. Tsai Yuan-pei, President of Central Research Council; Yeh Kung-cho, former Minister of Railways; Mr. Wang Pai-chun, former Minister of Communications; Sun Fo, President of the Legislative Yuan; Dr. C. T. Wang, former Minister of Foreign Affairs; Hsia Kwang-yu, represenating the Ministry of Industries and repesentatives of local party and government officials and commercial and industrial bodies. Dr. John Ferguson, one of the founders of the University, was also present. He officiated at the opening ceremony of the University new Field named in his honor and submitted a paper on educational reform at the Conference of Experts.

How Japan Is Helping Manchukuo Abolish Extraterritoriality

(*Japan Chronicle, March '22*)

Japan is leading the way in the abolition of extraterritoriality. She has an excellent method. It was stated some time ago that Japanese officials were going to be appointed to watch cases in the Manchukuo courts so that all would be done properly. Now we have the far more definite news from Harbin that forty-five Japanese judges and lawyers have arrived there to fill local judicial vacancies, since there are no Manchu or even Chinese lawyers available to fill the vacancies in the Harbin, Kirin, and other courts. This, of course, insures the Japanese against any possible shortcomings in the administration of justice in Manchukuo. It is even better than before, because under the extraterritorial system a foreigner with a claim against a native of the country can only pursue his claim in a court presided over by a native judge, and this does not counteract the shortcomings which are the excuse for the giving of extraterritorial privileges. So the new rule in Manchuria is far better. It leaves the question of the rights of foreigners other than Japanese rather up in the air, however. It is precisely on points like these that serious trouble is most likely to arise in connection with the independence of Manchukuo, and if the Japanese abolish extraterritoriality they are sure to support Manchukuo in denying any privileges to all other foreigners. For practical purposes, therefore, the country becomes, so far as the rights of foreigners are concerned, Japanese, with the condition added that Japanese officials will disclaim all responsibility. It is possible that the Japanese judges will be so enlightened as to see that nobody has reasonable cause for complaint; but the subject will require very careful handling if we are to avoid a condition of things where individuals will be left to their fate in order to avoid diplomatic ill-feeling.

Soviet Russia Makes Great Strides in Fur Industry

A recent *Tass* message from Moscow gives details of Russia's fur trade, and particularly of animal-breeding farms, this work being carried out by the "Soyuzpushnina" trust. At present, "Soyuzpushnina" controls 140 large animal-breeding farms and rabbit warrens, and 30 caracul state farms. Scores of farms have been organized for the breeding of white and blue foxes, sables, martens, minxes, silver foxes, fitches, etc. In addition to the old regions, animal-hunting is growing in the vast forests of the extreme north, in Kamchatka and in the Caucasian Mountains. Fifty percent of the furs which are exported have been dressed and dyed in Soviet factories. In recent years furs have constituted up to 12 percent of the total exports from Russia.

Who's Who in China

Gen. Huang Shao-hsiung, Minister of Interior; born at Yung-Hsien, Kwangsi, 1895; was graduated from the Paotingfu Military College, 1916; following graduation, was assigned to Kwangsi for military service and served successively as squad commander, battalion commander, regimental commander and brigade commander in Kwangsi Army; appointed by the late Dr. Sun Yat-sen as Commander-in-Chief of the Anti-Rebel Army in Kwangsi, 1923; was shortly transferred to the post of Associate Director of the Pacification Bureau of Kwangsi to wind up military affairs in the province; after the unification of the province in 1925, was appointed Commissioner for Civil Affairs and concurrently Associate Director of the Pacification Bureau of the Province; elected a reserve member of the Central Supervisory Committee of Kuomintang, 1926; Chairman of Kwangsi Provincial Government and concurrently party representative of the 7th Nationalist Army; State Councilor of the National Government; member of the Military Council; member of the Canton Division of the Central Political Council; Field-Commander of the Communist Suppression Forces; Commander of the 15th Nationalist Army; Minister of Interior, since 1932; address: Ministry of Interior, Nanking.

黃紹竑號季寬
Gen. Huang Shao-hsiung

黃紹竑號季寬，年三十八歲，廣西容縣人，民國五年畢業於保定軍官學校，分發在本省部隊服務，歷充排連營團旅長，民國十二年奉 孫總理任命爲廣西討賊軍總指揮，旋改任廣西省會綏靖會辦，收拾桂省軍事，十四年全省統一，改任廣西民政長兼全省綏靖會辦，十五年當選爲中央候補監察委員，改任廣西省政府主席，兼國民革命軍第七軍黨代表，國民政府委員軍事委員會委員，廣州政治分會委員，剿共軍總指揮，十五軍軍長等職，二十一年特任內政部部長，

72 Dead Canton Revolutionary Heroes Are Honored

A memorial service was held at Central Party Headquarters in Nanking March 30 in commemoration of the 22nd anniversary of the death of the 72 Revolutionary Martyrs who are buried at the Sun Flower Hill, Canton. In the course of a lengthy addres, Wang Ching-wei said that this important Revolutionary uprising at Canton in 1911 marked the most glorious and withal the most poignant page in the history of the National Revolution. Mr. Wang explained the reason why the attempt was made even though it was known that it could not be carried out successfully. He said that the uprising was financed largely by Revolutionary enthusiasts in the South Sea Islands. It was thought that to abandon the attempt at the eleventh hour would not only prove a bitter disappointment to those who had contributed towards the project but would also discourage supporters of the revolutionary party.

Who's Who in China

(Supplement to the Standard Edition)

There will be published shortly a supplement to the standard book, "Who's Who in China," which will contain some 200 biographical sketches of Chinese men and women who have come into prominence since the Fourth Edition (1931) was issued. It also will contain revisions of some of the sketches which appeared in the Fourth Edition.

For example, the Supplement will contain the pictures and sketches of several leaders who have come into prominence as a result of the Sino-Japanese conflict, such as Generals Tsai Ting-kai, Chiang Kwang-nai and Oung Chao-wan of the 19th Route Army, Chang Chih-chung of the 5th Army; Ma Chan-shan, Su Ping-wen and Li Tu of the Manchurian campaign; Sung Chih-yuan of Chahar, Han Fu-chu of Shantung, Yu Hsueh-chung of Hopei, Chu Ching-lan of the Volunteers, etc., etc., etc.

For thòse who possess a copy of the last, or Fourth Edition, a copy of the Supplement, is indispensable.

READY FOR DISTRIBUTION ABOUT JUNE 1.

No office, home, school or public library is complete without **Who's Who in China,** containing the pictures and biographical sketches of most of China's leaders in the fields of politics, business, education and the other professions. In addition to a record of their careers, it also contains their latest addresses, matters of vital importance to those who would keep up with events in China and the Far East.

The prices, including postage, for the Supplement as well as the standard edition are as follows:

	(In China)	(Abroad)
Supplement	$ 2.50	G.$1.00
Standard Fourth Edition (1931)	10.00	4.00
Both books	11.50	4.50

Send orders with check or postal order to the undersigned,

The China Weekly Review

38, Avenue Edward VII

Shanghai.

Men and Events

Radio telephone service was inaugurated between the United States and the Philippines March 28.

The annual meeting of Shanghai Ratepayers will be held at the Grand Theater April 19. A. W. Burkill will preside.

H. V. Klovekorn of the construction division of the Shanghai Telephone Company has gone to Manila on vacation.

Two Japanese who attempted to smuggle Yen 200,000 in gold from Japan to Shanghai were arrested in Kobe March 21.

A new submarine chaser of about 500 tons displacement was launched for the Japanese Navy at the Maizura Naval Yard April 1.

J. W. Moss, manager of the U. S. Rubber Export Corporation at Shanghai, has returned from a business trip to Tientsin.

A recent Moscow telegram stated that a short-wave radio connection will be established with Tokyo before the end of this year.

During the absence of H. Ellis, the Linotype and Machinery Ltd's business in the Far East is in the hands of J. W. Norton.

Hallet Abend, correspondent for the *New York Times*, and his assistant, Mr. Robertson, have returned to Shanghai from north China.

The Japanese-owned Taian Cotton Mill at Hankow has closed down as it is unable to obtain raw materials or to dispose of its products.

Dr. Lo Wen-kan, Chinese Foreign Minister, is suffering from serious eye trouble and may have to come to Shanghai shortly for an operation.

A three-day strike at the Essex (England) works of the Ford Motor Co., came to an end March 29 when the workers accepted minimum wage rates.

J. V. Crowe, Manager of the Ford Motor Company at Shanghai, accompanied by Mrs. Crowe, departed on last Sunday on a business trip to Indo-China.

Announcements have been received in Shanghai of the marriage on March 9 in New York of Carleton Sprague Cooke and Miss Dorothy Hill Montgomery.

E. Y. Chung, medical doctor, has established a hospital at 46 Weihaiwei road, Shanghai. He had long experience in the United States, Europe and China.

Ting Shih-yuan, Manchukuo special envoy to the League of Nations, is to be the first Manchukuo Minister to Tokyo, according to a recent Tokyo telegram.

Exports of ordnance and high explosives from the United Kingdom to China and Japan totalled £51,316 and £299,000 respectively during the 18 months ended February.

Cheng Chi-chen, the recently pardoned assassin of General Chang Tsung-chang, former Governor of Shantung, has joined General Ho Ying-ching's troops.

Col. L. M. Cosgrave, the Canadian government trade commissioner, addressed the Y. Men's Club in Shanghai April 1 on "Canada's Friendly Gesture towards China."

The annual church dinner of Community Church will be held on the evening of May 17 according to an announcement which appeared in the church bulletin last Sunday.

The Rev. Ding Ing-ong, assistant Anglican Bishop of Fukien, was captured by bandits near Shanyang, Fukien, March 24. No trace of his whereabouts has so far been found.

Dr. Yotaro Sugimura, chief of the political section of the League of Nations, has resigned from said post. He has been named Minister to Switzerland and therefore will remain in Geneva.

Dr. Robert E. Swain, professor of chemistry at Stanford University, has been elected president of the Board of Trustees of California College in China, succeeding Dr. David P. Barrows.

Dr. R. C. Robertson has been elected president of the Shanghai Medical Society. Dr. J. L. H. Paterson of the Lester Chinese Hospital, who is now on a holiday, was re-elected vice-president.

The French gunboat *Francis Garnier* was badly damaged amidship in a collision in Shanghai harbor in the afternoon of April 1 when it collided with the U.S.S. *Houston*, flagship of the U. S. Asiatic Fleet which was just arriving from Manila. Both boats were "swinging" when the accident occurred.

The Belgian Senate Mar. 29 adopted a proposal for a pure and simple closing of the debate on the interpellation made by one of the senators concerning the maintenance of the integrity of Chinese territory.

More than 200 huts and upwards of a 100 small boats occupied by the poorer class of Chinese were destroyed by fire of an unknown origin along the Mokanshan and West Soochow Creek roads, Shanghai, April 2.

The French Police end of last week made a series of of raids on a number of Chinese gambling houses where the game of "hwo wei" was being played. Eleven tenants and 25 alleged gamblers were taken into custody.

S. B. Tan, local manager of Frazar, Federal Inc., recently sold a Hale fire pump, mounted on a Dodge truck, to General Han Fu-chu for fire-fighting purposes. This is the second pump of this kind bought by General Han.

Commodore H. T. Baillie Grohman, a member of the British naval mission to China attached to the Chinese Ministry of the Navy at Nanking, arrived in Shanghai during the week and will shortly proceed to England.

The question of imposing an amusement tax in the French Concession and the International Settlement in Shanghai has been postponed until the new Councillors take office, according to a recent statement in the Chinese press.

General Kwan Lin-tseng, commander of the 25th Central Division, who was wounded in the fighting at Kupeikou early this month, has completely recovered from his wounds. He left the P.U.M.C. Hospital at Peiping March 24.

The National Government has approved an increase in the expenditure of the Chinese Delegation at Geneva from $100,000 to $670,000. The deficit is to be met by appropriations from the general reserve fund of the Government.

Dr. H. H. Kung, former Minister of Industries, who recently headed an industrial mission to Europe and America, arrived in Shanghai end of last week from an inspection tour of the war front in the north, accompanied by Mrs. Kung.

The U. S. naval airship *Akron*, largest dirigible in the world, was wrecked during a thunder-storm off the coast of New Jersey on the night of April 3. It fell into the sea and only a few out of the 77 of the officers and men on board were saved.

A recent telegram from Nanking stated that it had been discovered that the Communists in China proposed to entered into a plot with Japan whereby the Communists would be given every facility in their operations against the government forces.

Liao Cheng-chi, son of the late Liao Chung-kai, veteran Party leader who was arrested by the Municipal Police last week on suspicion of being a Communist, has been released on bail after being handed over to the Public Safety Bureau authorities by the Settlement court.

Hugo Sandor, a director and vice-president and general manager of the Asia Realty Company, has been elected president of the Shanghai Rotary Club for the ensuing year. He succeeds E. F. Harris, who has been elected a member of the Shanghai Municipal Council.

The Peiping Branch of the National City Bank of New York has been victimized by a forger, who, believed to be a Chinese, raised a check from $6 to $25,000, using chemical means, on the Yenching University account and cashed it. An accountant at the University has been arrested.

C. R. Bennett of The National City Bank of New York has returned to Peiping to resume his former position there as manager of the Peiping Branch upon the retirement of Samuel R. Brown. Mr. Bennett has for the past several years been assistant manager in Shanghai.

Mr. Matsuoka, Japan's delegate at Geneva, during his travels in America is being guarded by detectives. The train on which he was travelling to Boston Mar. 29 escaped being wrecked, the track walkers having removed from the track two iron rails wrapped in red and yellow flags.

Robert S. Pickens, former White House Correspondent for the *Associated Press* who is now visiting in the Far East, returned last week from Hongkong where he went to meet Mrs. Pickens who had been visiting French Indo-China. Mr. and Mrs. Pickens are now living at the Cathay Hotel.

Chang Mien-chung, representative of General Chiang Kai-shek, on returning from Canton to Hongkong declared that the Cantonese military authorities have definitely decided to first concentrate their attention on the suppression of communists in Kiangsi before sending up the expeditionary army to North China.

A Nanking message April 5 stated that Dr. H. H. Kung, former Minister of Industries, had been appointed by the Central Political Council, Governer General of the Central Bank of China, to succeed T. V. Soong who had resigned.

A provisional contract for the Japanese import of 8,000 tons of Soviet Russian gasoline has been concluded by the North Saghalien Petroleum Company, and Petroleum Export Department of Soviet Russia. The gasoline is a product of Grozny and will be shipped from the Black Sea, about the end of May.

Capt. Walter Reed and Lt. Geo. Eppright of the U. S. Army Air Corps, stationed at Nichols Field, Manila, are visiting in Shanghai on their way back to the Philippines, following a tour of the Far East which included Japan, Chinwantao, Dairen, Mukden, Tientsin and Peiping. After a visit to Hangchow they planned to return to Manila.

Y. Matsuoka, former head of the Japanese delegation iat Geneva, was received by President Roosevelt at Washngton March 31. Mr. Matsuoka also visited Cordell Hull, Secretary of State and Senator Pittman, head of the Senate Foreign Relations Committee. There were unconfirmed rumors that Mr. Matsuoka may propose a new agreement creating an alliance for preserving peace in the Pacific area.

The Shanghai Municipal Council recently made public the report on the film censorship committee, but the net result is that the Council has decided not to make any drastic change in the system of censoring, commenting incidentally that the criticism which had been levelled at the Board of Censors emanated from persons who had in mind more the quality of the films shown than the standard of censoring.

It was announced this week in connection with the arrival of the U. S. Flagship *Houston* at Shanghai that Admiral Montgomery M. Taylor will retire fron the China station to the General Board in Washington in August. The new commander of the U. S. Asiatic Squadron will be Rear Admiral Frank B. Upham, who is now chief of the Bureau of Navigation at Washington. Admiral Upham is a specialist in navil aviation, having had charge of the Naval Air Station at Pensacola, Fla.

British Dog Racing Association to Be Wound Up

A resolution to voluntarily wind up the affairs of the Greyhound Racing Association (China) Limited (Luna Park), was passed unanimously at an extraordinary general meeting of the company held at the offices of the General Chamber of Commerce April 3. The resolution will be submitted as a special resolution to a second extraordinary general meeting, to be held on Tuesday, April 18. A British Supreme Court injunction April 1 prevented the distribution of certain assets in the form of dividends as had previously been proposed.

Tael Abolished as of April 6

The Central Political Council, April 5, adopted the proposal of T. V. Soong, the Finance Minister, for the abolition of the tael from April 6. The proposal lays down that all outstanding obligations entered into prior to that date in terms of taels should be changed into dollars at the fixed rate of 71.5 tael cents to a dollar and that the claims of those who insist on using the tael be dismissed by the law courts. Contracts and other financial and commercial documents dated after April 6 will be considered legally invalid if they still use the tael as the basis of calculation.

2¼ Percent Export Tax on Silver

The Central Political Council also decided to levy an export tax on silver of 2¼ per cent as from April 6. The new tax will not include silver bars from the Central Mint.

Baguio, Philippine Tourist Resort, Has Excellent Air Service

Tourists to the Philippine Islands have now the very latest air facilities at their disposal. Baguio, the mountain resort can be reached from Manila an hour by a service of five Ballanca planes. The round-trip fare is Pesos 45. Under the new schedule visitors from China ports arriving in Manila in the morning can be in Baguio for lunch. This gives an additional day for golf.

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THE CHINA WEEKLY REVIEW

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New Books of Interest in the Far East

Working Out a Practical Philosophy of Life

The Buddha and the Christ. By Burnett Hillman Streeter. The MacMillan Co., Publishers. New York. $2.00 (U.S.)

At first glance one might be led to consider this book as a study in Comparative Religion. It is not this in any academic sense. It is more. It is an inquiry, from the standpoint of modern thought, into the character of the Hidden Power behind the Universe and an attempt to work out a practical philosophy of life. It is a study of the nature of Religion, because at the present moment the world has a greater need of religion than of science. When we concede a general world-weariness and disillusionment because science has not proved to meet all man's need, we admit conversely that the quest for religious truth is the great adventure for which humanity now calls. Add to that the fact, that the material in this book was first given by Canon Streeter as the Bampton Lectures of 1932, and the reader is assured that what was not too profound for the university student will not be beyond the intelligent reader. Canon Streeter has the happy faculty of being able to express intricacies of thought in clarity of diction. Moreover every chapter is summarized and outlined which is a great help for future reference.

The scope of the lectures is indicated by the chapter headings. The first recapitulates the main arguments of the author's previous book "Reality," that Science and Religion are two parallel avenues to a knowledge of Ultimate Reality. But religion does not necessarily mean the Christian religion, so in subsequent chapters the author carries forward a survey and comparison of Buddhism and Christianity, discovering their contrasts and their resemblances as philosophies of life, and especially with regard to their attitudes toward Pain, Conduct and Immortality.

If one questions why Canon Streeter did not examine all the religions that have swayed the heart of man, especially the greater ethnic faiths, his reply is:

> "That would be a task far too extensive for this course of lectures, as well as beyond the compass of the lecturer's capacities. For the purpose in hand, it will suffice to consider the two religions, Buddhism and Christianity. The religious history of man has flowed down two main streams, of which one has its spring in India, the other in Palestine. Buddhism is related to Hinduism much in the same way as Christianity is related to Judaism; Mohammedanism is directly descended from both Christianity and Judaism. Thus if an examination of the two traditions which look back to the Buddha and the Christ fails to bring out the nature of religion, it will be in vain to look elsewhere."

A part of the author's own summary of his chapter on "Science and Religion" is illuminating:

> "Disillusionment is the dominant note in modern literature. This is due, partly to the psychologically devitalizing effect of a philosophy of life, akin to that of Epicurus, partly to the intellectual nihilism arising from the latest developments in scientific theory.
>
> Scientific Materialism has been refuted by the advance of science itself; but this does not necessarily mean the return of religion, and certainly does not mean the rehabilitation of traditional theology.
>
> Science has armed man with immense power; but it cannot determine whether he will use this power for constructive or for destructive ends. What man will do with power, depends on what he *wants* to do. This religion can determine—but only if it be believed true. Hence the investigation of truth in religion is today a world need."

To consider side by side the Buddha and the Christ is to embark on a study in contrasts. The contrasts are rooted in the contrasting Indian and Hebrew world-views, between polytheism and monotheism, between philosophy and picture-thinking, between belief in the "Absolute" and in a "living" God, between Karma and purpose, between the doctrine that the world of phenomena is illusion and that it is what God saw to be good. The moral teaching of the Buddha has a remarkable resemblance to that of the Sermon on the Mount. The difference between them is mainly due to the Buddha's acceptance of the doctrines of Karma and illusion (maya). That is to say, the Buddha differs from Christ by reason of what he inherited. Jesus had at first hand experience of things like poverty and oppression which could be known to a prince like the Buddha only by sympathy. The Buddha ceases to differ where he is original: where he is most himself, there he is most like Christ. But the difference between a figure that sits rapt in eternal meditation, and one that hangs bleeding from a cross for the sins of others, is a difference that matters.

The lecture on "Pain" is the most impressive to this reviewer of all in the book. Buddhism started from the problem of Pain. A solution of this problem was the essence of the gospel preached by Sakyamuni. But his solution is valid only if we can accept the doctrines of reincarnation and illusion. All through the Bible runs a "debate" on the problem of pain, in the course of which a whole series of solutions is propounded and criticized. It is an evolutionary theory, from group responsibility and group punishment, through the idea of individual responsibility in which virtue is rewarded by prosperity and vice punished by adversity to the idea of discipline and the creative moral power of sacrifice. Christ clearly repudiates the idea that suffering is to be interpreted as a penalty either for ancestral or personal guilt. "Neither did this man sin, nor his parents." With the dawn of the hope of immortality comes the thought that what may not be explained in this phase of existence might be clear if we could see the whole. The natural animal reaction to suffering is resentment, depression and degeneration. But there is a supra-animal reaction which ennobles. And the great contribution of Christianity is that God *shares* in the world's suffering and helps man battle against its causes.

The book is a challenge to creative and constructive conduct, with the warning that "the world does not like people who try to make it a better place" The author's clarity of thought and fluent diction is illustrated by the further comment: "Humanity, now as of old, is busy making unpleasant the lives of the prophets that are with it, while celebrating the centenaries of their predecessors who are safely dead." Altogether it is a book to be strongly recommended.

G.T.F.

A Drama of Imperialism

Roar China, by S. Tretiakov, a play in nine scenes translated from the Russian by F. Polianovska and Barbara Nixon; International Publishers, New York City.

This extraordinarily excellent play, by a Soviet former professor in the National University of Peking, was written in 1924, but only recently translated into English and produced in New York. It also has been produced in Berlin, but was banned from public showing in England because of the correct picture it paints of the British Navy.

All true-blue "Old China hands" will, of course, claim that the play is a libel on those who so nobly bear "the white man's burden" in a heathen land. But as a matter of fact, as Tretiakov points out in an introductory note, the episode which forms the subject of the drama actually occurred in June, 1924, in Wanhsien, about 1,000 miles up the Yangtsze. A conflict arose there between an American shipping agent and a boatman which ended in the killing of the American. The slaying of a "white god," even though an American, was too much for the British master of the gunboat "Cockchafer," which was lying opposite Wanhsien, to tolerate, and he ordered the town administration to find either the guilty man or execute two members of the boatman's union, pay due honor to the American's body at the funeral, and give an indemnity to the family, or the town would be razed by gunfire.

The play tells simply and tremendously effectively the story of this typical example of imperialistic brutality, and no writer about China that this reviewer has read has described as movingly the contrast between China's oppressed, nearly starving masses and the smart foreign clubmen, the foreign gold-braided naval officers with their elegant table manners, and chivalrous courtesy to women, that is foreign women,—and between these two groups, the sleek, fat compradores and Chinese officials who act as go-betweens to keep, for a profit, their own people subservient to the foreign exploiters. And in the play, as in the incident on which it is based, the "Cockchafer" captain won all his demands and two innocent boatmen were executed,—"sacrificed," as Tretiakov puts it, "to the red-headed god of British ruthlessness." Subsequently, in 1926, Wanhsien was virtually razed by British gunboats with many thousands slaughtered as result of a quarrel between a Chinese general and British gun-runners.

But the slogan-like title of the play—"Roar China"—has not yet come to pass in any qualitatively effective manner, wherefore the land is still safe for "old China hands" and their uniformed minions.

W. B.

Journalism in Philippines Makes Great Strides

History of Journalism in the Philippine Islands, by Jesus Z. Valenzuela. Manila, P.I., General Printing Press.

Nothing better illustrates the intellectual progress of the Philippine Islands than the development of its journalism. Up until the time of the American occupation of the Philippines at the beginning of this century, journalism labored under a heavy censorship, and as a matter of fact was largely in the hands of the Spanish Roman Catholic priests. The advent of the American administration meant greater freedom and also the inauguration of newspapers in the English language. The present *Manila Bulletin*, now the leading American newspaper in the Islands was established in 1900 as a purely commercial sheet. The pioneers in regular newspaper work were the *American* and the *Cablenews*, which later combined, and eventually merged with the present Filipino-owned *Philippines Herald*. As is only natural the trend of ownership has been towards the Filipinos. One of the recent additions to English-language journalism in the Islands is *The Tribune*, also Filipino-owned. The remarkable thing about Filipino journalism is the tenacity of the Spanish language. There are still more newspapers in Spanish than in all the native tongues combined, and not far short of the number in English. On this point the author says: "The shells from Dewey's cannon did not destroy the Spanish language. That is why in some sections of the Philippine press Spanish is still the language of journalism. As a matter of fact, until as recently as 1925 the average daily circulation of the Spanish dailies was more than that of all the newspapers in English combined. The time may come when the language in which the Filipinos once expressed their purest sentiments will have become a language of the past. Laws have already been enacted by the insular legislature which aim to make the language of Cervantes obsolete. That time will be decreed by the journalism that is yet to be."

A Weird Tale of the Cossacks

The Spectre of Masuria, by Charles S. Strong; The Caxton Printers, Ltd., Caldwell, Idaho, U.S.A.

Those who yearn for the days when "knighthoood was in flower," may enjoy this melodramatic account of Russia in the world war by the author of the "Dear Donnie" stories which recently appeared in the *Christian Endeavor World*. Its theme is the slaughter of Russian soldiers in the famous battle of the Masurian Lakes because of the stupidity of their commanders in never discovering the treacherous terrain of this region. To Mr. Strong those who died without complaining for "the greater glory of the All Highest Czar" are heroes worthy of the highest eulogy, but those who rose in revolution and overthrew this supreme nitwit and the brutal, decadent system he represented, are contemptible villians.

A typical line of the book avows "the Czar was more imperial before that firing squad (which shot him in Ekaterinburg) than he had appeared in all his glory upon his throne."

While the contents of the book leave much to be desired' the bookmaking craftsmanship of The Caxton Printers is exceedingly striking and deserves a note of highest praise. Rarely has this reviewer seen a more beautifullly designed volume and the Linotype Garamond 12-point type in which it is printed is exceedingly pleasing to the eye and easy to read,—but, alas, it is not worth reading! W.B.

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American Policy Toward the Sino-Japanese Dispute

BY RAYMOND LESLIE BUELL
(American Foreign Policy Assn. N. Y.)

(Concluded from last week)

This resentment was increased by the circumstance that Japan was the first great power to suffer from the application of the Anti-War Pact by the United States.[52] Moreover, the Japanese fully realized that they had had a long series of disputes with the United States over nationalistic differences, in which the United States had attempted to block Japan's expansion on the Asiatic mainland and had also enacted tariff and immigration legislation which injured or humiliated Japan.[53] In view of these disputes, the Japanese believed that the policy of the United States in the Sino-Japanese conflict was motivated less by a disinterested desire to uphold the Anti-War Pact than by the desire to score another nationalist victory over Japan. This belief was increased when the United States concentrated its entire fleet in the Pacific and when Secretary Stimson intimated, in his letter of February 23 to Senator Borah, that the United States would increase the size of its navy if the Japanese did not observe the Nine-Power Treaty.[54]

That relations between Japan and the United States have become particularly strained is evidenced by the number of Japanese writers who last winter frequently referred to the "inevitability of war," not with Great Britain or France, but with the United States. The statement that "America is not worth fearing" was also heard in Japan. An official in the Manchoukuo government declared: "Were the United States assured of victory over Japan, it might start a war. But if it were defeated by Japan, where would it be? The United States will not take so great a risk."[55] The *Jiji* declared that the statements of Secretary Stimson "have been so provocative that we tend to suspect that he harbors ill-will against Japan." The *Nichi Nichi* referred to his letter to Borah as a "threat against Japan." The *Yomiuri* stated that Stimson's Far Eastern policy "is based on friendship with China, with a cheap brand of pacificism."

Another Japanese writer declared:

> "It is only in America of modern times that one can see the strange phenomenon of a mass of idealists who are always dreaming of cheap peace, being swayed partly by religious and partly by ethical sentiments, often playing leading roles in brewing war."[56]

Referring to the fact that the Washington naval treaty may be abrogated at the end of 1935, this writer continued:

> ". . . The position in which Japan is now standing closely resembles that of Germany after the Agadir Crisis . . . . The year 1935 is the year tentatively fixed for the second London Naval Conference. It is, of course, not to be predicted what result will be seen at the end of the parley. Nevertheless, if one thinks whether or not Japan will then be gentle and meek as before in accordance with the decision of the first London Conference and will be contented with the ratio of 6 against America, it is not very difficult to forecast what kind of a course the parley will take, what a storm it will cause, and what outcome it will have." Should the second London Conference be a failure, "the new situation arising in the Pacific after that will be extremely threatening."[57]

That the United States is held more responsible for mobilizing sentiment against Japan than the League of Nations is indicated by the following statement:

> "Excepting China, the nations that are most interested in the Manchurian problem are Soviet Russia and the United States. Soviet Russia has been very careful not to bring about any sharp conflict with Japan . . . . On the other hand, persistent objection to the Japanese action in Manchuria has been made by the Washington Government . . . Japan attaches very much importance to America's stand in the matter, because it constitutes the motive power behind the decisions of the League of Nations and the Nanking government."[58]

Critics of the Hoover-Stimson policy assert that no government having the interests of the American people at heart would thus needlessly embroil relationships with Japan. They point out that no American wished war with Japan, and that the United States had no real material interest at stake in the Manchurian controversy. To risk the danger of war with a great power on behalf of the Anti-War Pact they regard as quixotic, to say the least.

Future Alternatives

As for the future, the United States is confronted with three main possibilities:

1. *The Independent Policy.*—The United States could continue the Hoover-Stimson policy, which tends to be one of unilaterally, or at least "independently," applying the Anti-War Pact. The continuance of this policy would enable the United States to retain its "freedom of action" but might involve a recurrence of the dangers which appeared in the Sino-Japanese dispute. Many of those who supported the Hoover-Stimson policy did so in the belief that it would inevitably lead to a closer and more responsible form of international cooperation. They would oppose this policy, however, if it did not pass beyond the present transitional stage. For they believe that in its present form this policy is not effective in maintaining peace and, if again applied, might even involve the United States in a needless war.

2. *A Policy of Isolation.*—The United States could adopt what is apparently the Japanese conception of the Anti-War Pact. When an international dispute arises it might offer its good offices to the parties but do nothing further if one party should reject such a proffer. The adoption of this policy in the Orient would mean that the Unted States would submit to the principle of Japanese supremacy, sacrificing the Open Door and the political independence of China. Generally, such a policy would leave the war system intact.

3. *A Policy of International Organization.*—The third alternative is for the United States to seek the maintenance of peace throughout the world through the channels of international organization. Such an organization would assume responsibility for acting to prevent hostilities; it would have authority to determine when the Anti-War Pact and other obligations had been violated; it would decide whether common action against an aggressor state should be taken. In other words the United States, instead of initiating action to enforce the Anti-War Pact, and arrogating to itself the determination of whether another state had violated this pact, would act merely as one of a number of states bound by international procedure.

Assuming that international organization is essential, there are two alternatives: first, the United States could attempt to create a new system of world procedure to enforce the Anti-War Pact, which would be independent of and parallel to the existing League of Nation.[59] This plan would remove the objections raised in the United States against the League of Nations. The establish-

52. An incidental factor which aroused Japanese opinion was the publication, by Mr Herbert O. Yardley, of *The American Black Chamber* (Indianapolis, Bobbs-Merrill, 1931). The author declared that during the Washington naval conference he decoded for the American delegation practically all of the Japanese dispatches. Japanese newspapers published excepts from this book under such headlines as "Betrayal of International Trust," "Treachery at the Washington Conference," and "Disgrace to the Convener of the Conference." Cf. Washington dispatch, *New York Tribune*, October 18, 1931.

53. Cf. R. L. Buell, "Japanese Immigration," *World Peace Foundation Pamphlets*, 1924, Vol. VIII, Nos. 3-6. Cf. also Secretary Lansing to Ambassador Morris, November 18, *U. S. Foreign Relations, 1918, Russia*, Vol. II, p. 484; H. F. Pringle, *Theodore Roosevelt, a Biography* (New York, Harcourt, Brace. 1913), Ch. X; P. G. Wright, *The American Tariff and Oriental Trade* (Chicago, Chicago University Press, 1931), p. 164.

54. In order to reduce the present tension between the United States and Japan, one American writer has suggested that the United States at once withdraw the scouting fleet from the Pacific to the Atlantic, and open negotiations with Japan looking to the reciprocal reduction of tariff duties and to a solution of the immigration question. R. L. Buell, *New York Herald Tribune*, November 20, 1932.

55. In the course of a series of fifteen articles dealing with "The Question Mark that Hovers on the Horizon of the Pacific," published in the *Osaka Mainichi* and the *Tokyo Nichi Nichi*, Mr. Tada-taka Ikezaki stated that the retention of the scouting fleet in the Pacific must be proof of a scheme of the United States "to coerce what it may regard as its immediate enemy." *Osaka Mainichi* and the *Tokyo Nichi Nichi*, May 19, 1932. On August 30, 1932 Foreign Minister Uchida was interpellated on the question of the American fleet in the Japanese Diet. *New York Times*, August 31, 1932.

56. *Osaka Mainichi* and the *Tokyo Nichi Nichi*, June 1, 1932.

57. T. Ikezaki, *Osaka Mainichi* and the *Tokyo Nichi Nichi*, June 2, 1932.

58. Eichi Nishizawa, *Gaiko Jiho* (*Trans-Pacific*, August 25, 1932).

59. Professor Hans Wehberg, in *Die Aechtung des Krieges* (Berlin, 1930, p. 160), suggests the establishment of a new international court to apply the pact. Professors John B. Whitton and M. Gonsiorowski similarly suggest the establishment of an international commission. *Boycotts and Peace* (edited by Evans Clark, New York, Harpers 1932), p. 129.

ment of any new world procedure, however, would inevitably weaken the authority of the League or at least create the danger of conflicting jurisdictions. In view of the past unwillingness of the United States to accept the principle of compulsory arbitration or any commitments in regard to sanctions, it is doubtful whether the fifty-six states belonging to the League would scuttle that institution for a looser association organized to meet the wishes of the United States.

The other alternative is for the United States to work out a regularized and responsible relationship to the League of Nations.[60] This relationship involves at least three steps. In the first place, the United States must be willing to accept the mediation of the League Council in any dispute to which it is a party. It cannot logically participate in any joint endeavor to apply the Anti-War Pact to other states unless it is willing to have the principle of joint mediation applied against itself.

Secondly, the United States should participate in League mediations to preserve peace. A step in this direction was taken when the Council invited Mr. Gilbert to participate in its sessions. This precedent, however, is not regarded as satisfactory because Mr. Gilbert took no part in the discussion nor did he have a vote. From the point of view of its own interests, the United States should fully participate in the formulation of a common policy, and should have the same vote as any other power. When the United States ratifies the World Court Protocol of 1929, it will receive the right to take part in meetings of the Council and the Assembly for the purpose of electing judges to the Permanent Court. The most open method of regularizing the relationship between the United States and the League would be the conclusion of a protocol with the League members, authorizing the United States to participate in any League meeting. Such a protocol should remove any constitutional doubt as to whether the United States could fully associate itself with League activities.

Having established a legal basis for cooperation, the United States could then maintain at Geneva a special commissioner, with Ambassadorial rank, who would regularly participate in Council and Assembly meetings, or could entrust this responsibility, say, to the American Ambassador at Paris. It is believed that if American interests were protected by a distinguished representative of this type, they would be safeguarded more adequately than under the present system, where they are entrusted to a consul, or to *ad hoc* visits of other American representatives.[61]

In the third place, the United States should define its attitude toward sanctions. With this end in view, Senator Capper introduced into the Senate in April 1932 a resolution which declared that it was the policy of the United States not to recognize any agreement brought about by means contrary to the covenants of the Pact of Paris, and in case

> ". . . other nations, not parties to a dispute, have in open conference decided that any nation has committed a breach of the pact of Paris by resort to other than pacific means, and have further decided not to aid or abet the violator by the shipment to it of arms or other supplies of war, or to furnish to it financial assistance in its violation; and in case the President determines and by proclamation declares that a breach of the pact of Paris has in fact been committed; it shall be unlawful, unless otherwise provided by Act of Congress or by proclamation of the President, and until the President shall, by proclamation, declare that such violation no longer continues, to export to the violating country arms, munitions, implements of war, or other articles for use in war, or make any such trade or financial arrangement with the violating country or its nationals as in the judgment of the President may be used to strengthen or maintain the violation."

The passage of the Capper resolution or some similar measure would commit the United States to the principle of international sanctions of a non-military nature. Under such a resolution the United States would decide for itself whether an embargo should be applied,[62] although in this decision it would inevitably be influenced by the attitude of the League.

60. It is assumed that for political reasons the United States will not join the League of Nations in the immediate future, even with reservations.

61. Referring to the participation of Mr. Prentiss Gilbert in the October meeting of the League Council, one observer writes: "Mr. Gilbert was, in the first place, himself youthful, inexperienced in diplomacy, lacking in prestige, and no doubt embarrassed by the magnitude of his responsibility and the delicacy of his task." (Berdahl, "Relations of the United States with the Council of the League of Nations," cited.) On the Liberia Committee of the Council, which includes distinguished statesmen such as Viscount Cecil and Salvador de Madariaga, the United States was represented by Mr. Samuel Reber, Jr., 29 years old and formerly Third Secretary at Monrovia.

62. Cf. W. T. Stone, "Congress considers the Arms Embargo," *Foreign Policy Bulletin*, Vol. XII, No. 12, January 20, 1933.

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These various measures would establish a regularized and responsible relationship between the United States and the League of Nations, without imposing on this country the obligations of membership involved in Articles X and XVI of the Covenant. It is believed that the United States, by means of these measures, would be able to achieve the aims which it attempted to realize in the Sino-Japanese conflict more effectively than by the policy actually followed.

Full Text of President Roosevelt's Inaugural Address

The following is the complete text of the inaugural address delivered by Franklin D. Roosevelt, President of the United States, on the occasion of his assuming office at Washington, D.C., March 4, 1933.

President Hoover, Mr. Chief Justice, my friends:

This is a day of national consecration, and I am certain that my fellow-Americans expect that on my induction into the Presidency I will address them with a candor and a decision which the present situation of our nation impels.

This is pre-eminently the time to speak the truth, the whole truth, frankly and boldly. Nor need we shrink from honestly facing conditions in our country to-day. This great nation will endure as it has endured, will revive and will prosper.

So first of all let me assert my firm belief that the only thing we have to fear is fear itself—nameless, unreasoning, unjustified terror which paralyzes needed efforts to convert retreat into advance.

In every dark hour of our national life a leadership of frankness and vigor has met with that understanding and support of the people themselves which is essential to victory. I am convinced that you will again give that support to leadership in these critical days.

In such a spirit on my part and on yours we face our common difficulties. They concern, thank God, only material things. Values have shrunken to fantastic levels; taxes have risen; our ability to pay has fallen; government of all kinds is faced by serious curtailment of income; the means of exchange are frozen in the currents of trade; the withered leaves of industrial enterprise lie on every side; farmers find no markets for their produce; the savings of many years in thousands of families are gone.

More important, a host of unemployed citizens face the grim problem of existence, and an equally great number toil with little return. Only a foolish optimist can deny the dark realities of the moment.

Yet our distress comes from no failure of substance. We are stricken by no plague of locusts. Compared with the perils which our forefathers conquered because they believed and were not afraid, we have still much to be thankful for. Nature still offers her bounty and human efforts have multiplied it. Plenty is at our doorstep, but a generous use of it languishes in the very sight of the supply.

Primarily, this is because the rulers of the exchange of mankind's goods have failed through their own stubbornness and their own incompetence, have admitted their failure and abdicated. Practices of the unscrupulous money changers stand indicted in the court of public opinion, rejected by the hearts and minds of men.

True, they have tried, but their efforts have been cast in the pattern of an outworn tradition. Faced by failure of credit, they have proposed only the lending of more money.

Stripped of the lure of profit by which to induce our people to follow their false leadership, they have resorted to exhortations, pleading tearfully for restored confidence. They know only the rules of a generation of self-seekers.

They have no vision, and when there is no vision the people perish.

The money changers have fled from their high seats in the temple of our civilization. We may now restore that temple to the ancient truths.

The measure of the restoration lies in the extent to which we apply social values more noble than mere monetary profit.

Happiness lies not in the mere possession of money; it lies in the joy of achievement, in the thrill of creative effort.

The joy and moral stimulation of work no longer must be forgotten in the mad chase of evanescent profits. These dark days will be worth all they cost us if they teach us that our true destiny is not to be ministered unto but to minister to ourselves and to our fellow-men.

Recognition of the falsity of material wealth as the standard of success goes hand in hand with the abondonment of the false belief that public office and high political position are to be valued only by the standards of pride of place and personal profit; and there must be an end to a conduct in banking and in business which too often has given to a sacred trust the likeness of callous and selfish wrongdoing.

Small wonder that confidence languishes, for it thrives only on honesty, on honor, on the sacredness of obligations, on faithful protection, on unselfish performance. Without them it cannot live.

Restoration calls, however, not for changes in ethics alone. This nation asks for action, and action now.

Our greatest primary task is to put people to work. This is no unsolvable problem if we face it wisely and courageously.

It can be accomplished in part by direct recruiting by the government itself, treating the task as we would treat the emergency of a war, but at the same time, through this employment, accomplishing greatly needed projects to stimulate and reorganize the use of our natural resources.

Hand in hand with this, we must frankly recognize the overbalance of population in our industrial centres and, by engaging on a national scale in a redistribution, endeavor to provide a better use of the land for those best fitted for the land.

The task can be helped by definite efforts to raise the values of agricultural products and with this the power to purchase the output of our cities.

It can be helped by preventing realistically the tragedy of the growing loss, through foreclosure, of our small homes and our farms.

It can be helped by insistence that the Federal, State and local governments act forthwith on the demand that their cost be drastically reduced.

It can be helped by the unifying of relief activities which to-day are often scattered, uneconomical and unequal. It can be helped by national planning for and supervision of all forms of transportation and of communications and other utilities which have a definitely public character.

There are many ways in which it can be helped, but it can never be helped merely by talking about it. We must act, and act quickly.

Finally, in our progress toward a resumption of work we require two safeguards against a return of the evils of the old order; there must be a strict supervision of all banking and credits and investments; there must be an end to speculation with other people's money, and there must be provision for an adequate but sound currency.

These are the lines of attack. I shall presently urge upon a new Congress in special session detailed measures for their fulfillment, and I shall seek the immediate assistance of the several States.

Through this program of action we address ourselves to putting our own national house in order and making income balance outgo.

Our international trade relations, though vastly important, are, in point of time and necessity, secondary to the establishment of a sound national economy.

I favor as a practical policy the putting of first things first, I shall spare no effort to restore world trade by international economic readjustment, but the emergency at home cannot wait on that accomplishment.

The basic thought that guides these specific means of national recovery is not narrowly nationalistic.

It is the insistence, as a first consideration, upon the interdependence of the various elements in and parts of the United States—a recognition of the old and permanently important manifestation of the American spirit of the pioneer.

It is the way to recovery. It is the immediate way. It is the strongest assurance that the recovery will endure.

In the field of world policy I would dedicate this nation to the policy of the good neighbor—the neighbor who resolutely respects himself and, because he does so, respects the rights of others—the neighbor who respects his obligations and respects the sanctity of his agreements in and with a world the neighbors.

If I read the temper of our people correctly, we now realize, as we have never realized before, our interdependence on each other; that we cannot merely take, but we must give as well; that if we are to go forward we must move as a trained and loyal army willing to sacrifice for the good of a common discipline, because, without such discipline, no progress is made, no leadership becomes effective.

We are, I know, ready and willing to submit our lives and property to such discipline because it makes possible a leadership which aims at a larger good.

This I propose to offer, pledging that the larger purposes will bind upon us all as a sacred obligation with a unity of duty hitherto evoked only in time of armed strife.

With this pledge taken, I assume unhesitatingly the leadership of this great army of our people, dedicated to a disciplined attack upon our common problems.

Action in this image and to this end is feasible under the form of government which we have inherited from our ancestors.

Our Constitution is so simple and practical that it is possible always to meet extraordinary needs by changes in emphasis and arrangement without loss of essential form.

That is why our constitutional system has proved itself the most superbly enduring political mechanism the modern world has produced. It has met every stress of vast expansion of territory, of foreign wars, of bitter internal strife, of world relations.

It is to be hoped that the normal balance of executive and legislative authority may be wholly adequate to meet the unprecedented task before us. But it may be that an unprecedented demand and need for undelayed action may call for temporary departure from that normal balance of public procedure.

I am prepared under my constitutional duty to recommend the measures that a stricken nation in the midst of a stricken world may require.

These measures, or such other measures as the Congress may build out of its experience and wisdom, I shall seek, within my constitutional authority, to bring to speedy adoption.

But in the event that the Congress shall fail to take one of these two courses, and in the event that the national emergency is still critical, I shall not evade the clear course of duty that will then confront me.

I shall ask the Congress for the one remaining instrument to meet the crisis—broad executive power to wage a war against the emergency as great as the power that would be given to me if we were in fact invaded by a foreign foe.

For the trust reposed in me I will return the courage and the devotion that befit the time. I can do no less.

We face the arduous days that lie before us in the warm courage of national unity; with the clear consciousness of seeking old and precious moral values; with the clean satisfaction that comes from the stern performance of duty by old and young alike.

We aim at the assurance of a rounded and permanent national life.

We do not distrust the future of essential democracy. The people of the United States have not failed. In their need they have registered a mandate that they want direct, vigorous action.

They have asked for discipline and direction under leadership. They have made me the present instrument of their wishes. In the spirit of the gift I take it.

In this dedication of a nation we humbly ask the blessing of God. May He protect each and every one of us! May He guide me in the days to come!

Rivalry Between Pekin Syndicate and Chung Yuan Coal Co.

The Pekin Syndicate and the Chung Yuan Coal Company in Honan are reported to be at loggerheads. According to information lodged with the British Minister in China a trainload of coal belong to the Pekin Syndicate was seized and prevented from leaving Chiaotso, apparently at the instigation of the rival concern. The management of the Chung Yuan Coal Company state that the Tao-Tsin Railway Administration is giving facilities to the Pekin Syndicate while they refuse to do so for the Chung Yuan Coal Mine.

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Lo Wen-kan Defines China's Attitude on Japan's Withdrawal

Dr. Lo Wen-kan, Minister for Foreign Affairs, issued a statement at Nanking March 28 concerning Japan's withdrawal from the League of Nations, of which the following is a summary.

Japan is not entitled to the right to withdraw from the League unless and until she has carried out, not only all the resolutions and decisions of the League of Nations in respect of the present dispute and other obligations under the Covenant, but also all the obligations under those international agreements the provisions of which have also been proclaimed by the League as the guiding principles for a settlement of the dispute.

If Japan claims the right to withdraw from the League, it is her duty to implement all the provisions of the Paris Pact and the Nine-Power Treaty, as well as those of the Covenant, within the two years after she has notified her withdrawal to the League of Nations. If she fails to do so, she remains a member of the League and will be as much subject to its authority as every other member-State.

It is the belief and conviction of the Chinese Government that the League with its strengthened position and its firm determination will not fail to take immediate and effectual steps to deal with the new situation that has arisen. Now that Japan has announced her withdrawal from the League of Nations, she is confronted with the opposition of all the countries which give their hearty support to the Covenant as well as to the principle of justice and the cause of peace. The Chinese Government is convinced that the ideal for which the League stands will ultimately triumph and that the Sino-Japanese dispute will receive a just and equitable settlement; while the aggressor will suffer in due course the inevitable consequences of its open defiance of the civilized conscience of the post-war world.

Comments by Dr. C. C. Wu

Commenting upon Japan's withdrawal from the League of Nations, Dr. C. C. Wu, Chairman of the Special Foreign Relations Committee, in an interview described Japan's latest move as merely an outburst due to her profound disappointment and failure at Geneva.

Dr. Wu pointed out that Japan's withdrawal will produce two immediate results; firstly, strengthening of world public opinion against Japan and, secondly, a possible conflict regarding the question of the mandated islands.

Mrs. Sun Yat-sen Denounces Extradition Procedure

Lo Tuan-hsien, Yu Wen-hwa, Cheng Kwang and Chen Sok-ying, the latter a young woman, were recently arrested in the Settlement on communist charges. Following an extraditon order by the Second District Court they were taken to Nanking end of last week.

Commenting on proceedings in the Second District Court in Shanghai March 30 when five prisoners were brought up and handed over to the Chinese authorities by the Municipal Police, Mrs. Sun Yat-sen in a statement issued to the press said: "I declare that the five prisoners arrested and extradited to the Kuomintang just like all of their comrades who suffer or have suffered a similar fate, are not criminals, but the highest type of representatives of the Chinese people. I therefore call upon the broad masses of the Chinese people to demand their release, to demand their protection from torture and death. Their release and the release of thousands like them means the release of the unconquerable power of the national revolutionary spirit of China. Without this, China cannot free itself, cannot live."

Overseas Chinese Discouraged by Tang Yu-lin's Retreat

Daniel J. Lee writes to *The Review* from Calcutta in the shape of an open letter to Marshal Chang Hsueh-liang saying that if more of Chang's commanders would follow the example of Tang Yu-lin, he could not expect overseas Chinese to subscribe any more money for nothing but disgrace. Mr. Lee pointed out that the wealth of overseas Chinese is accumulated by the earnings of hard labor, unlike the wealth of the warlords at home, who are enriched by quick, easy money. The ridiculous and cowardly retreat of Tang Yu-lin had already discouraged the Chinese community in India to some extent, Mr. Lee said.

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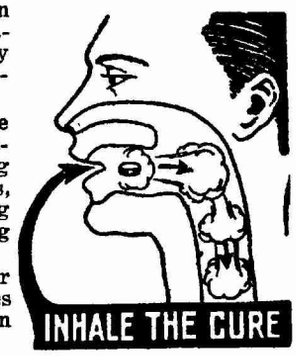

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Japan's "Statement of Facts" in the Manchurian Dispute

The publication of the Statement of the Japanese Government in virtue of Para. 5 of Art. XV of the Covenant of the League in connection with the Manchurian dispute was commenced in the April 1 issue of the Review.

(Concluded from last week)

What appears to be a most curious statement is found in Part III of the report, which reads: "adoption of measures of self-defence does not exempt a state from complying with the provisions of Article XII of the Covenant."

As has already been observed by the Japanese Government, the right of self-defence is exercised upon the occasion "of an urgent" —to quote Webster's definition—"and overwhelming necessity, allowing no choice of means and no instant for deliberation."

To require the observance upon such an occasion of Article XII of the Covenant, which stipulates that the right of self-defence may be exercised three months after the award by the arbitrators, or the judicial decision, or the report by the Council of the League has been made public, is to deny the right of self-defence itself.

(5) The Report says that the Declaration of Independence by Manchoukuo was not spontaneous. Since the statement is based upon no fresh investigations conducted at a later date, it may be readily gathered that the Report has here again adopted the erroneous conclusions of the Commission of Enquiry, contained in Chapter VI of the latter's Report, the baselessness of which has been fully exposed in the Observations of the Japanese Government.

It must strike an impartial observer as extraordinary that the Assembly repeats this finding of the Commission of Enquiry in the face of the emphatic denials of Japan. There are two factors which may partly account for this.

First, the movement during the tyrannous regime of the Changs for the keeping of Manchuria aloof from all participation in the affairs of China Proper was subterranean and had no repercussion in the outside world and the authors of the Report may, therefore, have been unaware of its existence.

Secondly, they appear to be misled by giving implicit credence to their supposed plan to seek a political solution of the Manchurian issue as a step toward the execution of that policy.

It is unnecessary to repeat that the Japanese 'continental policy' is a mere Chinese fabrication and that Japan harbours no territorial designs in any part of the world. But all this, though it may explain the rejection by the Assembly of the uncompromising denial made by Japan, hardly be thought to excuse it.

The simple fact is that, as has so often been explained on the disappearance of all the administrative organizations such as they were, which had existed under the Changs, spontaneous local organizations naturally sprang up and the Japanese troops, which were responsible for the maintenance of order, necessarily cooperated with them. It was a proper and necessary step and in the circumstances an unavoidable one.

Such was the whole significance of the presence of Japanese troops and such was the sole aim of the activities of Japanese civil and military officers. Unfortunately, the Commission of Enquiry and consequently the Assembly, in their implicit reliance on the assumption that there had never existed any independence movement in Manchuria, have been obliged to attribute it to the activities of Japanese civil and military officers—the independence which was actually proclaimed—and to do so upon no solid grounds whatever.

As to the assertion that the people of Manchuria are hostile to the new State, again there is no valid evidence beyond the 1,500 letters of dubious origin received by the Commission of Enquiry. The Japanese Government desire to point out the fact that within less than a year since its foundation, Manchoukuo has achieved a marked and healthy progress in the restoration of law and order and that no criticism or complaint has been heard of regarding its conduct of affairs whether domestic or foreign.

Regardless of the attitude of the Assembly toward the new State of Manchoukuo, she has gone forward steadily on the road of progress. Freed from the yoke of misgovernment under the tyrannous rule of the Changs, the thirty million inhabitants of Manchuria, Manchus, Mongols and Chinese all alike, have already begun to reap the benefits of their labours, where were denied them in former days.

Throughout most of the country, banditry has been suppressed. Those hostile elements largely composed of the remnants of Chang Hsueh-liang's troops and not inconsiderable assistance from their former War Lord had constituted an obstacle to the establishment of peace throughout the territory.

Thanks, however, to the combined efforts of the Japanese and Manchoukuo forces, they have been practically cleared out of the Provinces of Fengtien, Kirin and Heilungkiang, and the security of life and property have been reestablished in these Provinces. It is only in the Province of Jehol that organized opposition still continues.

In the domain of finance something entirely unknown in the history of China has been realized in Manchoukuo. Though the state is still in its infancy a sound budgetary system has been initiated and is being carried out with utmost satisfaction. The establishment of the Central Bank, which is functioning on the same lines as those of the advanced countries of the world, has contributed much to the stabilization of state finances and to the economic and industrial development of the country.

A similar progress has also been noted in the domain of railway administration, commerce and industry, and with abundant resources with which she is endowed there is every prospect of the country achieving in days to come a still greater progress along these lines to the benefit of her inhabitants and foreigners.

All this could not have been the case, had the population of the country been hostile or even sullenly submissive. It is to be regretted, therefore, that the Assembly should have, without referring to the Observations submitted by Japan, accepted the assumption of the Commission of Enquiry, which here again no foundation in fact.

(6) The Report dwells upon the need of international cooperation in the reconstruction of China and mentions the provision of technical assistance as one form of that international cooperation. Obviously, the reconstruction of China cannot be accomplished by any such superficial and inadequate means. It could only be rendered possible by some forceful international intervention of such a nature as would at once prove incompatible with the stipulation of the Nine Power Treaty regarding the administrative integrity and political independence of China.

That is another proof that it is necessary to allow ample elasticity by taking due account of changing conditions in the application of the Nine Power Treaty and the Covenant of the League as far as China is concerned.

Part III.—Impracticabilities of the Recommendations

1. Japan recognizes that the Covenant of the League of Nations and the Pact of Paris constitute the basic principles of the settlement of international disputes in so far as international relations in general are concerned. But, we, in a certain degree of elasticity, must be allowed in the application of these principles to such special and entirely abnormal conditions as prevail in China.

2. As to the proposal for the withdrawal of troops contained in Section II, (1) (a) of Part 4 of the Report, it is to be noted that the presence of Japanese troops outside the railway zone so far from being incompatible with legal principles has from the very beginning been due entirely to the sheer necessities of lawful self-defence and is in no way derogatory to the accepted principles regarding the settlement of international disputes. It is further to be noted that these Japanese troops are now responsible in accordance with the Japan-Manchoukuo Protocol for the maintenance of peace and order in Manchoukuo. It is true that by the Resolutions of September 30 and of December 10, 1931, Japan undertook to withdraw her troops within the railway zone in so far as the safety of the lives and property of her subjects was assured, but the condition attaching to that undertaking, namely the assurance of safety of life and property, has never been satisfied and the undertaking itself has now become inapplicable on account of the independence of Manchoukuo and the conclusion of the agreements embodied in the Protocol signed on September 15 last. Should the Japanese troops be withdrawn within the railway zone in accordance with the recommendation contained in the Report, it would be inevitable that unrest and disturbances would ensure in the evacuated territory. Those Members of the League that have but little direct interest in the affairs of the Far East can afford to maintain that the upholding of abstract formulae is more important than the maintenance of the peace in this part of the world.

But Japan vitally concerned in the maintenance of peace and order in Manchuria cannot tolerate that that region should again be plunged into disorder. It cannot be supposed that a gendarmerie system as proposed by the Lytton Report would remove all apprehension on this score. There is no precedent in the history of the world in which the security of such a vast territory was secured by gendarmerie. The proposition is absurd and cannot be put into practice. If the Japanese troops were withdrawn, the country would be quickly over-run by bandits and by Chang Hsueh-liang's troops, resulting in anarchy and disorder.

3. As to Section II, (1) of Part 4 of the Report where it is stated that the sovereignty over Manchuria belongs to China, it has to be noted that at any rate since the year 1616 Manchuria has never been subject to the authority of China and that in the final analysis the present difficulty has been caused by the supposition that the sovereignty of China actually extended and extends to that region. It is entirely superfluous to say that the enforcement of this fictions will never ensure the protection of Japanese rights and interest and the maintenance of peace in the Far East. Inasmuch as the Report repudiates the restoration of the old regime as leading merely to a repetition of disorder and friction, so any return to the fiction in question must equally be repudiated. Nor is it possible for Japan to admit any policy which is incompatible with the simple fact of the existence of the state of Manchoukuo and the provisions of the Japan-Manchoukuo Protocol.

4. With regard to the ten principles set out in the Lytton Report and cited in Section I (c) of Part 4 of the Report, apart from the observations made above, the Japanese Government deem it sufficient to quote the following passages from their observations presented to the League in November last:—"certain of these principles to which the Japanese Government have no fundamental objection have already found concrete application in the Protocol signed by Japan and Manchoukuo. But in any view of the matter it must evidently be impossible so long as the anarchical state of things in China persists to arrive at a satisfactory solution of the questions at issue on the basis of the first nine of these principles, especially principles 4—9 inclusive. As is sustained in principle 10, these nine principles can not be practically applied "without a strong central government in China."

5. In Section II (3) of Part 4 of the Report the Assembly contemplates the establishment of a committee to assist in the negotiations which are to be opened between the two parties in accordance with the method specified in the Report. This however, is directly contrary to the insistence of Japan not to allow any third party to intervene in the Manchurian problem and Japan finds it absolutely impossible to accept such a proposal. As moreover the Recommendations referred to as (1) (a) and (1) (b) of Section II, Part 4 of the Report must be dismissed as unpractical and those made under (2) of the said Section II are equally inapplicable in the present state of China, there would seem to be no scope left for the activities of the proposed committee.

6. The Report states in effect in Section III of Part 4 that the maintenance and recognition of the existing regime in Manchuria is no solution and that the Members of the League should after having adopted the Report abstain from recognizing the present regime either de jure or de facto. Further, it expresses the hope that the States Members of the League who are signatories of the Pact of Paris and the Nine-Power Treaty will associate themselves with the views set forth in the Report in this regard. The Japanese Government cannot but consider that the Assembly in proposing in such a manner to influence or to bind if only morally both member and non-member states, in the matter of recognizing another State is exceeding its powers conferred upon it by Article XV of the Covenant. In any case, in making a proposition of this nature, the League of Nations whose primary duty is the preservation of peace throughout the world could not surely contribute to the maintenance of peace and security not only in Mnachoukuo but also in the Far East. Such an action on the part of the League would prove to be an obstacle to the good understanding and friendly relations between nations upon which peace depends.

The Japanese Government are fully convinced that the action of the Japanese Army on the night of September 18, 1931 and thereafter has never exceeded the limits appropriate to measures of self-defence and that Manchoukuo has been founded by the spontaneous will of the people of Manchuria. Accordingly, they consider that neither the action of the Japanese Army in Manchuria nor the conclusion of the Japan-Manchoukuo Protocol is a violation of the Covenant of the League of Nations, the Nine-Power Treaty, the Pact of Paris, or any other international treaties.

The Japanese Government maintain that, in view of the quite abnormal condition of China, where no existing authority has ever ruled the entire country and particularly in view of the unparalleled complexity and peculiarity of the Manchurian Problem, and also having regard to the anti-foreign character of the policy of the National Government, it is impossible to think of applying to the present dispute the general formulae applicable to an ordinary international question, and they maintain moreover that neither any procedure which may be adopted for such an exceptional case nor any solution thereby obtained, can ever establish a precedent for ordinary cases of international dispute.

Were it possible to apply ordinary formulae, the plans adumbrated by the Assembly would themselves be ruled out of consideration, as interferences with what the Assembly regards as Chinese sovereign rights. Unfortunately, the Assembly through the refusal of its members to face facts and their uncritical acceptance of the Report of the Commission of Enquiry, has only indulged in academic and inadequate principles. The Assembly stands, if it may so be said, for mere formulae, Japan for solid realities. Japan takes her stand on established principles, the Assembly on pre-conceived hypotheses. It results from the refusal of the Assembly to go beyond the Lytton Report. As pointed out in the preceding part of the present statement, the new state of Manchoukuo has made rapid progress. Peace and order are superseding banditry. Commerce and industry have responded to the improved situation, to the benefit of foreigners and the people of Manchoukuo alike. This is a concrete proof of the truth of the Japanese contention that recognition and encouragement of the Manchurian State is the only road to a satisfactory solution of the Manchurian Question and to the maintenance of lasting peace in the Orient.

On the other hand, it appears impossible to look for any improvement in the Chinese situation in the near future and China is likely to remain a chronic anxiety of the rest of the world. Communism has already invaded China to an alarming extent and the success of the invasion is far too seldom realized. A communized China would constitute a problem to Europe and America, beside which other questions would pale into insignificance. But a Manchuria free from Chinese connection constitutes a barrier to communistic cancer in the Far East. Its value ought surely to be apparent to every statesman.

It is earnestly hoped that the League of Nations will soon be led to change its attitude to discard reliance on academic and inapplicable doctrine and to respect and recognize the forces that are actually rendering possible the maintenance of peace in the various regions of the world.

The Covenant of the League of Nations itself provides in Article XXI for due recognition of regional understandings and the Japan-Manchoukuo Protocol of September 15, 1932, falls incontestably within the category of understandings such as these as the special interests of Japan in Manchuria have again and again been recognized. At the same time, Japan takes this opportunity of repeating her disclaimer of all desire for territorial means or commercial advantages."

Trade Inquiries Received by the American Consulate General

Persons interested in establishing connection with the firms mentioned in this list are requested to get in touch with the Commerical Office of the American Consulate General.

104—An east coast manufacturer wishes to market his line of asbestos packing.

105—An east coast manufacturer desires to secure an agency to handle his line of gummed paper.

106—A west coast chamber of commerce wishes to secure for one of its members an agent to handle tinned meats of all kinds.

107—A firm in the Philippine Islands wishes to dispose of a lot of plush remnants.

108—A west coast firm wishes to secure an agent for a line of gasoline and kerosene lamps and stoves.

109—A west coast chamber of commerce wishes to secure for one of its members an agent to handle felt hat bodies.

110—A west coast firm desires to secure an agent for its line of wooden caskets.

111—A firm in the middle west desires to obtain a supply of Chinese spotting ink.

112—A west coast agency desires to secure various props for motion pictures.

Central Bank Reorganizes Jehol's Currency

Preparations have been completed by the Central Bank of Manchukuo, at the instance of the Finance Ministry of the new state, for the renovation of the monetary system in the province of Jehol; withdrawal of Jehol paper-notes is being carried out in the important towns of the province, including Chengteh, Chihfeng and others. The rate of exchange for the now worthless Jehol paper money has been fixed at $50 Jehol paper-notes to one yuan in the National currency.

American Minister Johnson Will Remain at His Post

Despite the change of Administrations in Washington Nelson Trusler Johnson will be retained in his post as United States Minister to China and Joseph C. Grew will continue to serve as United States Ambassador to Japan, a recent Washington telegram stated. Mr. Johnson, a former Assistant Secretary of State, has been United States Minister to China since December of 1929.

In the United States Court for China

In re. Estate of FRANK JAMES MOORE Deceased. | Cause No. Special Proceedings No. 138 NOTICE

Pursuant to an Order of said Court notice is hereby given to all presons having claims against the estate of FRANK JAMES MOORE, deceased, to present the same with vouchers to the undersigned on or before 8th April 1933, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

R. R. SMITH
Administrator,
6, Soochow Road, Shanghai.

SHANGHAI, CHINA,
24th March 1933.

In the United States Court for China

In re. Estate of SYLVESTER P. O'CONNOR Deceased | Cause No. 3521 Special Proceedings No. 814 NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Sylvester P. O'Connor, deceased, to present the same with vouchers to the undersigned on or before October 1st, 1933, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

RAVEN TRUST COMPANY,
Fed. Inc., U.S.A.
29 Nanking Road,
Shanghai, China.

Shanghai, China.
March 27, 1933.

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Yunnan Denies Rumors of Foreign Invasion

The Yunnan Provincial Government has telegraphed to the National Government denying rumors of a foreign invasion of that province. The message says that during the past few years the province has been peaceful and tranquil, being on the most friendly terms with its foreign neighbors. It is suggested that the rumors of alleged foreign invasion and of disturbances by the people living along the border were fabricated by the Japanese for ulterior purposes.

Philippine Trade Commission on Visit to China and Japan

The Philippine Legislative Trade Commission which was recently appointed by the House of Representatives of the Philippine Islands to study and promote trade possibilities in China and Japan, passed through Shanghai during the week on its way to Japan. The party will return to China April 24, and it will then start its inspection work in this country.

Mayor Wu greeted the party on the jetty in Shanghai. The trade commission is composed of eight members, four of whom are members of the House of Representatives and the remaining four technical advisers. They were all guests of honor at a welcoming dinner given by the foreign trade bureau at the Henghwalou Restaurant on Foochow Road. Dr. P. Y. Ho, director of the bureau, acted as the host.

In the United States Court for China

HELEN BRYANT,
Plaintiff,
vs.
CLYDE BRYANT
Defendant.

Cause No. 3529
Civil No. 1593
ORDER
Filed at Shanghai, China
April 5, 1933.
L. T. Kenake,
Asst. Clerk

The object of this suit is an action for Divorce

WHEREAS, plaintiff herein, by her attorneys, has this 3rd day of April, 1933, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 3rd day of April, 1933, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 3rd day of April, 1933, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China nor has he resided therein, and that defendant's last known address was c/o American Mail Line, Seattle, Washington, U. S. A.

NOW, THEREFORE, it is this 5th day of April, 1933, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the CHINA WEEKLY REVIEW, Shanghai, China, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 22nd day of April, 1933, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shanghai, China,

this 5th day of April 1933.

MILTON D. PURDY.

Judge.

Japanese Department of Communications Opposes D. K. K.

The official permit issued by the Japanese Government to vessels registered in Dairen for navigation along the Japanese coasts expired at the end of March.. The Department of Communications has adopted a policy of non-renewal whereas the Department of Overseas Affairs favors a policy of renewal, especially supporting the Dairen Kisen Kaisha. The Dairen Kisen Kaisha recently applied to open a new service between Niigata, Fushiki, Yuki and Seishin, with a view to improving of Japan-Manchukuo shipping, but the Department of Communications definitely turned down the application.

The National City Bank of New York, Rates of Exchange

Shanghai, April 5, 1933.

Demand selling rate on America:	U.S. $100=Sh. $485.04
Demand buying rate on America:	U.S. $100=Sh. $479.54
Demand selling rate on London:	£1.0.0=Sh. $16.651
Demand buying rate on London:	£1.0.0=Sh. $16.401

64-270

Latest New York Stock Exchange Quotations

Market—Steady — Business Done 720,000 Shares

April 5, 1933

1932-3 High	1932-3 Low	Div.$ per Sh.	STOCKS	Mon. Apr. 3	Tues. Apr. 4
9½	1⅝	—	Adams Express	3½	4¾
89⅞	42½	*6.00	Allied Chemical & Dye	76	77
15⅝	4	—	Allis Chalmers	7	7⅜
78⅞	29⅝	4.00	American Can	55¾	56¾
15	2	—	American & Foreign Power	4⅛	4⅛
38½	5	—	American & Foreign Power 7% Pfd.	Unq.	7¼
10	1⅛	—	American & Foreign Power Warr.	2¾	2⅝
11⅜	4¼	—	Atlas Corporation	6½	6⅝
9¼	1½	—	American Metal Co.	4⅛	Unq.
27¼	5⅛	—	American Smelting	15	16
187⅝	70¼	9.00	American Telephone & Telegraph	89	90
89¾	44	5.00	American Tobacco "B"	61¾	61⅞
34½	11	1.00	American Waterworks	11⅛	11¼
19⅜	3	—	Anaconda Copper	6½	7
151¾	28¾	2.00	Auburn Automobiles	33	33
21⅝	3¾	—	Baltimore & Ohio	9⅛	8¾
29⅝	7¼	—	Bethlehem Steel	12⅝	13¼
43⅛	18	1.60	Borden Company	20⅞	21
14¼	3⅜	—	Borg Warner	7⅛	7⅜
20⅝	7¼	—	Canadian Pacific Railway	7¼	7⅝
65¾	16¾	—	Case, J. I.	43¾	42½
47⅞	19	2.00	Chase National Bank	19¾	19⅞
20¾	4⅞	2.00	Chesapeake Corp.	17¼	16½
21¾	5	—	Chrysler	9	9¼
21	4¼	1.00	Columbia Gas & Electric	9¼	9¼
5⅛	1½	—	Commonwealth & Southern	1½	1⅜
68¾	31½	4.00	Consolidated Gas of N. Y.	40⅝	41
9⅜	3⅝	—	Continental Oil	5¾	5½
57¾	24¾	3.00	Corn Products	52	51⅞
7⅜	1⅞	—	Coty Inc.	Unq.	Unq.
8¼	⅞	—	Curtiss Wright Company	1½	1⅝
18⅝	5	.75	Douglas Aircraft	11½	11⅝
57	23	3.00	Drug Incorporated	30⅝	31
59⅝	22	2.00	Du Pont de Nemours	34⅜	34⅜
87⅞	35¼	3.00	Eastman Kodak	48½	46⅞
48	5	6%S	Electric Bond & Share	12⅛	11½
16	2¾	—	Electric Power & Light	3⅝	3⅝
5⅞	⅞	—	Fox Film "A"	1	⅞
26⅛	8½	.40	General Electric	12⅞	12½
40½	19⅝	2.00	General Foods	25¼	25⅜
24⅞	7⅝	1.00	General Motors	11⅝	11⅞
28⅝	6½	1.00	General Railway Signal	Unq.	17¾
20⅝	8¼	1.20	Gold Dust	13¼	13⅜
29¾	5½	—	Goodyear Tire & Rubber	14½	14½
18¾	3⅝	—	International Cement	Unq.	Unq.
1⅞	⅜	—	International Com. Engine	⅜	⅜
84½	10⅝	.60	International Harvester	22½	22⅛
12½	3½	—	International Nickel	8⅛	8⅜
15¾	2⅝	—	International Telephone & Telegraph	5¾	5⅝
38⅜	10	—	Johns Manville	15⅜	16⅛
19¼	4⅞	—	Kennecott	9¼	9½
61⅞	30½	2.40	Lehman Corporation	40⅞	41
67¼	34⅛	*4.00	Liggett & Myers, "B"	59¼	60
37¾	9	1.00	Loew's: Inc.	10	10⅞
18⅝	9	1.20	Lorillard P. Co. (Com.)	13¾	13⅞
11⅝	1½	—	Ludlum Steel	Unq.	Unq.
16½	3½	—	Montgomery Ward	13	13
64½	20	1.00	National City Bank (bid price)	20	19¾
36⅝	8¾	—	New York Central	16¼	14¾
43¼	13¾	8%S	North American Company	16	15¾
37	16⅞	2.00	Pacific Gas & Electric	20⅝	20¼
5¼	1½	—	Packard Motors	1⅝	1⅞
28⅝	6½	.50	Pennsylvania Railroad	16½	16⅝
4⅜	1	—	Pennroad Corporation	1¼	1⅛
8½	2	—	Phillips Petroleum	5	5⅞
60	28	3.20	Public Service of N. Jersey	33¾	33¼
18⅛	2½	—	Radio Corporation	3⅞	
7¾	1¼	—	Radio-Keith Orpheum	1⅛	1⅛
40¼	26½	3.00	Reynolds Tobacco "B"	30⅛	30⅝
37⅜	9⅞	—	Sears Roebuck	16⅞	16⅝
8¾	2¼	—	Shell Union	4	4
13⅜	2¾	—	Simmons Company	5⅛	5
12¼	5¼	.40	Socony-Vacuum Corp.	6⅜	6¼
32¾	15¾	2.00	Southern California Edison	18	18
34¼	5¼	1.20	Standard Gas & Electric	5½	6
37⅜	19⅞	1.00	Standard Oil Co., of N. Jersey	25⅛	25¼
18¼	9¼	1.00	Texas Corporation	11¾	12
26¾	12	1.00	Texas Gulf Sulphur	18	18½
7⅛	2⅛	—	Trans America	4⅛	4⅛
36⅝	15½	1.20	Union Carbide & Carbon	21⅞	21¾
94½	27⅝	6.00	Union Pacific	68	65¼
34⅝	6½	—	United Aircraft & Trans.	20⅜	20⅜
14	3½	.40	United Corporation	4⅞	5⅛
22	9¼	1.20	United Gas Improvement	14⅜	14¼
10¼	1¼	—	U. S. Rubber	3⅜	3⅜
52⅝	21¼	—	U. S. Steel	27⅝	28
23¾	5¼	—	Vanadium	10	10⅝
4¼	½	—	Warner Bros. Pictures	1¼	1¼
43½	15⅝	—	Westinghouse E. & M.	23⅛	24
45⅝	22	2.40	Woolworth	27⅞	28¼

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